

Dixon Advisory & Superannuation Services Pty Ltd
(Subject to Deed of Company Arrangement) (the Company or DASS)
ACN 103 071 665

Minutes of the Fifth Committee of Inspection Meeting
held on Thursday, 14 December 2023 at 5:00pm AEDT
by Virtual Meeting Technology (the Meeting)

Opening

Ms Rebecca Gill introduced herself and other PricewaterhouseCoopers staff present before calling the Meeting to order at 5:04pm AEDT.

Ms Gill acted as Chairperson of the Meeting in accordance with Section 75-50 of the Insolvency Practice Rules (Corporations) 2016 (**IPR**).

Members Present

The Chairperson confirmed that Committee of Inspection (**COI**) members were in attendance via the Microsoft Teams video conference platform. As a quorum was present, the Meeting could proceed in accordance with IPR 80-5.

Pursuant to Section 75-75 of the IPR, all persons participating in the meeting using virtual meeting technology are taken to be present in person at the meeting.

The following COI Members were in attendance at the Meeting:

- Ms Jan Smith
- Ms Kate Gorham
- Ms Vicky Antzoulatos
- Ms Cathy Monro
- Mr Peter Freund (who joined at 5:34pm)

Minutes of Meetings

The Chairperson advised that minutes of the Meeting would be lodged with the Australian Securities and Investments Commission (**ASIC**) in accordance with IPR 75-145. The Chairperson noted that the Deed Administrators reserve the right not to disclose in the minutes commercially sensitive information that may prejudice investigations and asset realisations.

Time and Place of Meeting Convenient

The Chairperson declared that the time and place for holding the meeting was convenient in accordance with IPR 75-30.

Confidentiality

The Chairperson reminded members present that discussions in the Meeting were confidential and should not be disclosed to anyone other than COI members. Furthermore, the Chairperson confirmed that it was the Deed Administrators' intention to retain legal privilege over all matters discussed during the Meeting.

Agenda

The Chairperson referred to the agenda outlined in the Notice of the Fifth Meeting of the Committee of Inspection dated 6th December 2023.

The Chairperson advised that the purpose of the Meeting was to:

- Provide an update in relation to deed administration;
- Consider and pass resolutions in relation to amendments to Deed of Company Arrangement (**DOCA**); and
- Discuss any other business.

Tabling of documents

The following documents were tabled:

- Notice of Meeting dated 6 December 2023.
- Draft resolution of the COI regarding amendments to the DOCA.

The Chairperson confirmed copies of the Draft resolution and Notice of Meeting had been provided to the COI members on 6 December 2023.

Motions and resolutions

The Chairperson confirmed that all motions proposed at the Meeting will be determined on a show of hands vote.

Key next steps for the deed administration

The Chairperson provided the following update on the key workstreams since the last COI meeting.

Class Action Proceedings

- The Chairperson noted that on 14 November 2023, the parties to the *Watson & Co Superannuation Pty Ltd v Dixon Advisory & Superannuation Services Pty Ltd & Ors* proceeding (**Class Action Proceedings**) entered into a Deed of Settlement. The key output of the Deed of Settlement is that the following amounts will be available for the benefit of DASS' creditors:
 - \$4m from E&P Financial Group Ltd – which is effectively the Tranche B payment contemplated under the DOCA; and
 - Remaining insurance proceeds of not less than \$12m – although these proceeds will be subject to the class actions costs, which requires approval from the Federal Court of Australia (**Court**).
- The Deed of Settlement is still subject to approval from the Court. This process is expected to involve two applications / hearings as well as a 49 day appeal process. Accordingly, it is possible that the approval process may not be finalised for four to six months from the date the Deed of Settlement was signed.
- As of today's date, the Court is considering draft orders which will outline dates for the release of information to group members and the settlement approval hearing. Information regarding the settlement and actions required by group members (if any) will be distributed by Shine Lawyers in the new year. The Deed Administrators will also make this information available on their website.
- The Deed of Settlement also requires amendments to the DOCA. The COI has been provided a schedule outlining these amendments. The Chairperson advised she would run through these amendments in detail later in the meeting.
- Ms Kathryn Gorham asked the Chairperson to confirm whether the cost incurred by Shine Lawyers in running the class action proceedings would be deducted from the \$12m of insurance proceeds to be received.
- The Chairperson advised that Ms Gorham's understanding was correct. Furthermore, the Court will determine whether the costs incurred by Shine Lawyers are fair and reasonable.
- The Chairperson advised that she does not anticipate the final settlement payments to be made to the deed administration for at least five to six months.
- Ms Vicky Antzoulatos advised that a settlement approval hearing would be held, prior to which the parties to the class action proceedings would file submissions relating to the cost of the settlement.

Court Application for Loss Calculation

- The Chairperson advised that since the last meeting, work has continued in the updating of the Loss Calculation report. This has largely been in light of the data issues identified post the issue of the first loss methodology report, and in consultation with feedback from our legal advisors and counsel.
- Given the volume and complexity of the data, namely the treatment of perceived duplicates, this has taken longer than anticipated. However, this is now close to being finalised which is a key milestone in terms of proceeding with the court application to approve the loss methodology.
- The Chairperson advised that concurrently, the E&P Group has provided information to our legal advisors and counsel to assist with

framing the position on the treatment of creditors who have either wound up, or plan to wind up, their SMSFs.

- The Chairperson advised that the Deed Administrators' legal advisors had commenced drafting the skeleton affidavits required for the court application (three in total – Deed Administrators, Campbell Jaski for the Loss Report, a representative from E&P in relation to the data extraction). It is likely that these affidavits will be a focus in the new year with the application likely to be made towards the end of Q1 2024.
- The Chairperson noted that although there had been a delay, it is possible there may be some overlaps of matters being contemplated by the class action hearing. It will be useful to have knowledge of the outcome of these matters as part of the preparation for this application.
- Once the updated loss methodology report is finalised, this will be shared with the COI. The Chairperson confirmed that the methodology hasn't changed, but rather additional analysis and clarifications are included in response to data issues and duplication.

This section of the minutes has been redacted for legal and commercial-in-confidence reasons.

Creditor Portal

- The Chairperson advised that the following developments have been made in respect of the Creditor Portal's key components:
 - Improvements to existing portal (e.g. progress tracker / comms log / alert banner) – build and internal testing has been completed.
 - Messaging module – build and internal testing has been completed.
 - Loss calculation process – build has commenced and is still ongoing. Completion of this component is dependent on finalisation of the loss calculation data. Once complete, next stage will be testing.
- Once the loss calculation process build is complete and tested, the Deed Administrators will present to COI and run through further testing. The Deed Administrators anticipate this will occur early in the new year.

Proposed amendments to the Deed of Company Arrangement

- The Chairperson advised the Deed of Settlement requires the Deed Administrators to make an application to amend various terms of the DOCA to facilitate the terms of the settlement.
- The Chairperson ran through the detailed explanation table provided in the 'draft resolution' document shared with the COI on 6 December 2023.

This section of the minutes has been redacted for legal and commercial-in-confidence reasons.

The Chairperson proposed the following resolution with respect to making amendments to the DOCA:

Resolution:

"The following amendments to the Deed of Company Arrangement (in the form or substantially in the form set out below) should be made, and that it is appropriate and in the best interests of the creditors of Dixon Advisory & Superannuation Services Pty Ltd (Subject to Deed of Company Arrangement) that the Deed Administrators apply to the Federal Court of Australia for orders to that affect:

- *insertion of the definition of 'Prohibited Person' in clause 1.1 of the DOCA as follows:*

any individual person, group, regime, entity or thing listed or otherwise recognised as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any requirement of law relating to terrorism or money laundering applicable to any insurer under the Insurance Policies.

- amendment of the definition of 'Settlement of the Representative Proceedings' in clause 1.1 of the DOCA as follows:

comprehensive settlement and final resolution or the permanent stay or dismissal of the Representative Proceedings, which includes any necessary court approval (including the expiration of the 49-day period provided for an appeal from those orders) and resolution of any and all appeals, and, if a settlement, a release of all claims against all respondents (other than the Deed Company) to the Representative Proceedings.

- deletion of sub-clause 8.2(a)(2) of the DOCA.

- Amendment of the chapeau to sub-clause 9.2(b) of the DOCA as follows:

Subject to clauses 9.2(c) and 9.2(h), the Deed Fund must be distributed by the Deed Administrators as follows:

- insertion of sub-clause 9.2(h) of the DOCA as follows:

(h) The Deed Administrators will not distribute any portion of the Insurance Proceeds to a Creditor if:

- the insurer under the Insurance Policies provides evidence to the Deed Administrators that the Creditor is a Prohibited Person, including the source of the legal obligation designating the Creditor as a Prohibited Person; and
- the Deed Administrators are satisfied (acting reasonably) that the Creditor is a Prohibited Person."

In accordance with IPR 75-70, the Chairperson allowed time for creditors presiding at the meeting to debate the proposed resolution.

No creditor wished to debate the proposed resolution, and the Chairperson put the proposed resolution to a vote.

Jan Smith, Kate Gorham, Vicky Antzoulatos and Cathy Monro voted in favour of the resolution and Peter Freund abstained from voting.

The Chairperson declared that the resolution was passed on a show of hands.

Any other business

The Chairperson asked whether the COI had anything further they would like to discuss.

- Ms Monro queried whether an estimated return to creditors was being tracked by the Deed Administrators.
- The Chairperson advised that the Deed Administrators intended to provide an updated estimate next year, once the net settlement proceeds (i.e. after the deduction of the applicant's approved costs) from the Class Action Proceedings had been confirmed.

Closure:

The Chairperson thanked the committee members for their attendance and declared the meeting closed at 5:57 pm AEDT.

Signed as a correct record

DATED this 20th day of December 2023

A handwritten signature in black ink, appearing to read 'Rebecca Gill', written in a cursive style.

Rebecca Gill
Chairperson

Meeting Attendance Register - Committee of Inspection

Dixon Advisory & Superannuation Services Pty Ltd (Subject to Deed of Company Arrangement)

Committee of Inspection Meeting held by Virtual Meeting Technology at 5:00pm AEDT on 14th December 2023

Chairperson: Rebecca Gill

Committee of Inspection Member	Related Party?	Name of Proxy or Attorney	Type of Proxy (General / Specific)	Signature of Person Attending
Jan Smith	No	N/A	N/A	Attended via virtual meeting technology
Kathryn Gorham	No	N/A	N/A	Attended via virtual meeting technology
Cathy Monro	No	N/A	N/A	Attended via virtual meeting technology
Peter Freund	No	N/A	N/A	Attended via virtual meeting technology
Vicky Antzoulatos	No	N/A	N/A	Attended via virtual meeting technology