

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

Minutes of the Fourth Committee of Inspection Meeting
held on Tuesday, 22 August 2023 at 5:00pm AEST
by Virtual Meeting Technology (the Meeting)

Opening

Ms Rebecca Gill introduced herself and other PricewaterhouseCoopers staff present before calling the Meeting to order at 5:03pm AEST.

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
- Mr Peter Freund
- Ms Vicky Antzoulatos

Ms. Cathy Monro was absent from the meeting.

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 Fourth Meeting of the Committee of Inspection dated 15 August 2023.

Tabling of documents

The following documents were tabled:

- Notice of Meeting dated 15 August 2023.
- Remuneration Approval Report dated 15 August 2023.

The Chairperson confirmed copies of the Notice of Meeting and Remuneration Approval Report had been provided to the COI members on 15 August 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:
 - The negotiations regarding the class action proceedings are ongoing and the Deed Administrators therefore cannot disclose any further details as they are subject to ongoing without prejudice privilege of the mediation.

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

- With respect to the application to the Federal Court of Australia (**Court**) seeking directions on applying the quantification of loss methodology:
 - The preparation of the application is progressing. The Deed Administrators have been obtaining further relevant information required to complete the application, liaising with their solicitors, Counsel and E&P in this respect. We are hopeful that the application will be finalised and filed with the court in the next two months.
 - As outlined in the Remuneration Approval Report, there have been a number of complexities in preparing the application in which the Deed Administrators are working through.
 - The report prepared by Mr Campbell Jaski is in its final stages of being updated. Late last week, we received advice from our solicitors regarding duplicate creditor profiles in the data source. This advice was critical to allow for Mr. Jaski to update the report. The Deed Administrators are also continuing to test the accuracy of the data underpinning the loss calculation.
 - Ms Kate Gorham queried whether creditors utilising different investment vehicles would be aggregated into one calculation figure
 - The Chairperson advised that creditors with losses under different investment vehicles would be considered separately. Losses would only be aggregated where it is evident that the investment vehicle is the same, but there were inaccuracies in the data, resulting in multiple loss amounts being calculated for the same creditor.
 - Ms Jan Smith asked whether this aggregation would result in a fewer number of creditors being eligible to participate in any distribution. The Chairperson advised this was subject to confirmation but likely to be the case.
 - Mr Peter Freund queried whether creditors that were subject to an aggregation of their loss calculation would be consulted first.
 - The Chairperson advised that we have sufficient information for duplicate profiles to be accurately identified. Further, it would be a costly process to contact each individual creditor subject to an aggregation and therefore not in the interests of the general body of creditors. In cases where there may be doubt around whether it is a duplicate creditor profile, we will consult with that creditor.
- As detailed in Mr. Khallouf's email to the COI on 15 August 2023, the development of the Creditor Portal is progressing:
 - Improvements to existing portal (e.g. progress tracker / comms log / alert banner) – updates nearly complete and currently undergoing testing.
 - Messaging module – build has been completed and now working on coding, which will be followed by testing.
 - Loss calculation process – build has commenced and is still ongoing. Once complete, next stage will be testing.
- Once the build complete and tested, the Deed Administrators will present to COI and also run through some further testing as per the last

iteration. The Deed Administrators anticipate this will occur by November 2023.

Workstream Description	Estimated Cost (excl. GST) (\$)	Cost to date (excl. GST) (\$)
Improvements to the existing Creditor Portal	40,000	32,197
Development of a new Loss Calculation process	120,000	51,313
Development of a messaging module	55,000	9,055
Total	215,000	92,565

Compensation Scheme of Last Resort and AFCA assistance

- The Chairperson advised that legislation establishing the Compensation Scheme of Last Resort (CSLR) was passed on 22 June 2023. The CSLR is to facilitate the payment of compensation to eligible customers who suffered a loss because of their financial firm's misconduct when the financial firm becomes insolvent.
- The Chairperson advised that the CSLR will facilitate the payment of up to \$150,000 in compensation to eligible consumers who have received an AFCA determination awarding compensation.
- The Chairperson noted that the funding model and operational details of the CSLR had not yet been determined. A small portion of claims will be reviewed by the Australian Financial Complaints Authority (AFCA) now, with the remaining c.1,700 claims to be investigated at a later date.

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

Deed Administrators' remuneration

The Chairperson introduced the topic of Deed Administrators' remuneration and referred to the Remuneration Approval Report dated 15 August 2023, in particular Section 3.4 - which outlined the key workstreams over the last six months. The COI briefly discussed the work undertaken by the Deed Administrators, as outlined in the abovementioned report.

Ms Gorham sought clarification on which period the current fee resolution related to and confirmation as to why the 5% uplift wasn't paid.

The Chairperson clarified that the 5% uplift was approved but not paid given the milestones that attached to the uplift becoming payable were not met, and that the approval being sought in this meeting related to fees incurred between 1 January 2023 and 30 June 2023.

The Chairperson asked whether the COI had any queries regarding the Deed Administrators' remuneration / estimate of future remuneration.

No further queries were forthcoming.

The Chairperson proposed the following resolution with respect to the Deed Administrators' remuneration:

Resolution 1:

"That the remuneration of the Deed Administrators is approved for the period from 1 January 2023 to 30 June 2023 totalling \$847,252.80 (plus GST) as set out in the Remuneration Approval Report dated 15 August 2023 to be paid immediately or as funds become available."

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.

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

Any other business

The Chairperson confirmed that ASIC had initiated civil proceedings against a director of DASS.

- Mr Peter Freund asked whether any penalty payable in accordance with these proceedings would be available to the Company.
- The Chairperson noted that it is currently unclear what the implications of the civil action will be.

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

- Ms Smith asked when any distribution would likely be made.
- The Chairperson responded that the court application workstream is on track to be resolved by the end of the year. The timing for the settlement of the class action proceedings is unclear, however, the Deed Administrators are hoping to commence the distribution process in the new year.

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

Closure:

The Chairperson thanked the committee members for their attendance and declared the meeting closed at 5:48 pm AEST.

Signed as a correct record

DATED this 5th day of September 2023



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 AEST on 22nd August 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
Peter Freund	No	N/A	N/A	Attended via virtual meeting technology
Vicky Antzoulatos	No	N/A	N/A	Attended via virtual meeting technology