



**Mediacloud Pty Ltd (Administrators Appointed)
ACN 641 575 304 (Mediacloud)**

Initial Information for Creditors

Jonathan Henry and I were appointed Joint and Several Voluntary Administrators of Mediacloud on 9 November 2020 (**Voluntary Administrators**).

We have been appointed to represent the interests of all creditors. We are responsible for taking control of Mediacloud's assets and business, investigating Mediacloud's affairs and reporting and providing recommendations to creditors as to the future of Mediacloud. We will also hold meetings of creditors to make decisions on the future of Mediacloud.

According to Mediacloud's records, you may be a creditor of Mediacloud.

The purpose of this document is to provide you with information about the Voluntary Administration (**VA**) and your rights as a creditor.

What you should do

You should:

- read the enclosed information;
- decide whether you are going to participate in the first meeting; and if so
- complete and return your proof of debt and proxy form (if required) by 4:00pm, Wednesday, 18 November 2020.

Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

We enclose our DIRRI. Our independent status and who appointed us is outlined in our DIRRI.

Meetings of creditors

As Voluntary Administrators, we are required to hold two meetings of creditors.

First meetings of creditors

The first meeting of creditors will be held via teleconference as follows:

Date: Thursday, 19 November 2020

Time: 11:00am

Address: Teleconference details will be provided upon request

While the technical meeting location will be at the offices of McGrathNicol Sydney, Level 12, 20 Martin Place, Sydney NSW 2000, this meeting of creditors will be held via teleconference and webinar only and creditors will not be able to attend in person, given the recent government guidance surrounding COVID-19 and social distancing measures.

The purpose of this meeting is to consider:

- our appointment; and
- whether to appoint a Committee of Inspection (**COI**).

We enclose a notice of meeting. To participate in this meeting, you must submit a proof of debt and information to substantiate your claim. If the creditor is a person and will attend the meeting, this is all that is required. However, if the creditor is another type of entity (such as a company), they must also appoint a person – a "proxy" or person authorised under a power of attorney – to vote on behalf of the creditor at the meeting. A proxy should also be appointed if the creditor is a person, but is not available to attend the meeting, and so wishes to send someone else in their place.



You can appoint the chairperson of the meeting as your proxy and direct the chairperson how you wish your vote to be cast. If you choose to do this, the chairperson must cast your vote as directed.

Proof of debt and proxy forms are enclosed, together with guidance notes to assist you when you complete them. To ensure that the meeting is conducted as efficiently as possible, completed proof of debt and, if applicable, proxy forms must be returned to my office by post or email to mediacloudgeneral@mcgrathnicol.com by **4:00pm on Wednesday, 18 November 2020**.

We also enclose general information for attending and voting at meetings of creditors.

Committee of Inspection

At the first meeting, creditors will consider whether a COI should be appointed. The role of a COI is to consult with the Voluntary Administrators and receive reports on the conduct of the administration. A COI can also approve the Voluntary Administrators' fees.

It is our opinion that a COI is not required for this VA as given the limited number of creditors it is straight forward for us to liaise with creditors as a whole.

However, it is for creditors to decide if they would like to form a COI in this VA.

Second meeting of creditors

We will also in due course call a second meeting of creditors.

The purpose of the second meeting is for creditors to consider the Administrators report and make a decision on the future of Mediacloud.

Before that meeting you will be sent the notice of meeting and a detailed report which will set out the options for Mediacloud's future. We will also provide our opinion as to what option we think is in the best interests of creditors. You are encouraged to attend these meetings and participate in the VA process.

Question	Answer
What is a voluntary administration?	<p>A VA is a process initiated by the directors of a company or a secured creditor of a company when they form the view the company is, or is likely to become, insolvent. "Insolvent" means that the company is, or is likely to become, unable to pay its debts when they fall due. Less commonly, a VA is commenced by a liquidator of the company. In this case, the VA appointment was made by the Directors of Mediacloud.</p> <p>The objective of a VA is to preserve as much as possible of the business of the company or, if not, seek a better outcome for creditors than a liquidation of the company. The process involves the appointment of a Voluntary Administrator to the company to administer and investigate the business, property, affairs and financial circumstances of the company. A Voluntary Administrator must complete investigations, form an opinion about the company's financial position and its future and issue a detailed report to creditors of the company. Creditors are then given the opportunity to vote on the future of the company.</p>
What are your rights as a creditor?	<p>We enclose a copy of the information sheet "Creditor Rights in Voluntary Administrations" issued by the Australian Restructuring Insolvency & Turnaround Association (ARITA). It includes information on your rights to:</p> <ul style="list-style-type: none">▪ make reasonable requests for information;▪ give directions to the Administrators;▪ appoint a reviewing liquidator; and▪ replace us as VAs.



Question	Answer
<p>What happens to your debt?</p>	<p>All creditors of Mediacloud are now creditors in the VA and your debt will be dealt with in the VA.</p> <p>It is important to note that a VA creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the company into liquidation or act on a personal guarantee.</p> <p>If you have leased property to Mediacloud, have a retention of title claim or have a registered personal property security interest in relation to Mediacloud, please contact mediacloudgeneral@mcgrathnicol.com as soon as possible.</p> <p>We are continuing to trade the business. If you are an employee, you should have received a separate communication on how this appointment affects your ongoing dealings with Mediacloud. If you have not, please contact mediacloudemployees@mcgrathnicol.com.</p>
<p>What is the cost of the voluntary administration?</p>	<p>We get paid from Mediacloud's money, including realisations from assets or from money paid to us by others. If there is not enough money in the VA, we do not get paid in full.</p> <p>We enclose our Initial Remuneration Notice which provides you with information about how we propose to be paid for undertaking the VA.</p> <p>We have not been provided with any indemnities or upfront payments for remuneration or costs associated with the conduct of this voluntary administration.</p> <p>We will seek your approval of our remuneration at the second meeting of creditors, unless that remuneration is approved earlier by a COI (if one is appointed). We will provide you with detailed information about what tasks we have undertaken and the costs of those tasks</p>
<p>What happens next with the voluntary administration?</p>	<p>We will proceed with the voluntary administration, which will include:</p> <ul style="list-style-type: none"> ▪ trading the business; ▪ progressing a sale process and liaising with interested parties; ▪ potentially realising some or all of the assets of Mediacloud, where it is the most appropriate course of action; ▪ dealing with interested parties (i.e. employees, suppliers, landlords, etc.); ▪ preparing for and holding the meetings of creditors; ▪ investigating Mediacloud's affairs; ▪ analysing any offer for a Deed of Company Arrangement if one is proposed; and ▪ preparing our detailed report to creditors. <p>As discussed above, you will receive further correspondence from us before the second meeting of creditors.</p>



Question	Answer
Where can you get more information?	ARITA provides information to assist creditors to understand voluntary administrations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors . A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by the Australian Securities and Investments Commission (ASIC) is also enclosed for your information.

Further information

If you have any queries, please contact Alex Woolcott at mediacloudgeneral@mcgrathnicol.com or +61 2 9338 2667.

For further information about this engagement, please refer to the website <https://www.mcgrathnicol.com/creditors/mediacloud-pty-ltd/>

Dated: 12 November 2020

Mediacloud Pty Ltd (Administrators Appointed)

Barry Kogan

Joint and Several Administrator

Enclosures:

- 1 ARITA Information Sheet - Creditor Rights in Voluntary Administrations
- 2 Declaration of Independence, Relevant Relationships and Indemnities
- 3 Notice of Meeting
- 4 Proof of Debt (Form 535)
- 5 Proof of Debt Guidance Notes
- 6 Proxy Form
- 7 Proxy Form Guidance Notes
- 8 General information for attending and voting at meetings of creditors
- 9 ARITA Information Sheet – Committees of Inspection
- 10 Initial Remuneration Notice
- 11 ASIC Information Sheet – Insolvency information for directors, employees, creditors and shareholders