

REMUNERATION APPROVAL REQUEST REPORT

Insolvency Practice Rules (Corporations) 2016 Rules 70-35 and 75-130

AUTONOMOUS ENERGY PTY LTD (ADMINISTRATORS APPOINTED) ACN 113 593 383 ("the Company")

This remuneration report provides you with the information you need to be able to make an informed decision regarding the approval of our remuneration for undertaking the Administration of the Company.

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Creditors' requirements for major meeting

You should read this report and the other documentation that was sent to you and attend the meeting of creditors in order to voice your opinion by casting your vote on the resolutions put to the meeting. The meeting will also give you an opportunity to ask any questions that you may have.

We note that at the initial meeting of creditors held on 21 January 2021, creditors put forward a resolution that we be replaced as Voluntary Administrators and Jason Preston, Jason Ireland and Katherine Sozou of McGrathNicol be appointed as Voluntary Administrators of Autonomous Energy Pty Ltd. This report has been prepared as a part of McGrath Nicol's Report to Creditors pursuant to Section 439A of the *Corporations Act 2001*.

Creditors are advised that Domenic Calabretta, Thyge Trafford-Jones and Grahame Ward of Mackay Goodwin are herein commonly referred to as 'the Administrators' throughout this remuneration report.

Creditors should note that any queries in respect to the Major Meeting of Creditors are to be directed to McGrathNicol. Any queries in respect to this remuneration report prepared by us is to be directed to Thanatorn Phadermchit of Mackay Goodwin at tphadermchit@mackaygoodwin.com.au.

Part 1: Declaration

We, Domenic Calabretta, Thyge Trafford-Jones and Grahame Ward, of Mackay Goodwin, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the law and applicable professional standards. We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

Part 2: Executive Summary

Remuneration currently claimed is summarised below:

Period	Report Reference	Amount (\$) (excluding GST)
Voluntary Administration		
Resolution 1 – 8 July 2021 to 21 July 2021	3.1.1	119,888.68
Total - Voluntary Administration		119,888.68

Please refer to report section references detailed in the above table for full details of the calculation and composition of the remuneration approval sought.

Part 3. Remuneration

3.1 Remuneration claim resolution

3.1.1 Resolution 1 – 8 July 2021 to 21 July 2021

“That the remuneration of the Administrators, their partners and staff from 8 July 2021 to 21 July 2021 be approved up to a maximum amount of \$119,888.68 plus GST, calculated in accordance with the Mackay Goodwin hourly rates as detailed in the Initial Report to Creditors dated 12 July 2021 and that the Administrators be authorised to draw the remuneration as required.”

3.2 Details of remuneration

The basis of calculating the remuneration claim, the details of the major tasks performed, and the costs associated with each of those major tasks are contained below.

3.2.1 Resolution 1 – 8 July 2021 to 21 July 2021

The below table sets out time charged to each major task area by staff members working on the Administration for the periods 8 July 2021 to 21 July 2021 which is the basis of the Resolution 1 claim. More detailed descriptions of the tasks performed within each task area, matching the amounts below, are detailed below.

Task Area	General Description	Includes
Assets: Hours: 78.20 Cost: \$50,419.50	Cash at Bank	Liaising with financial institutions regarding freezing of pre-appointment bank accounts and obtaining bank statements. Liaising with banking institutions in relation to the balance of funds held in the Company’s pre-appointment bank accounts Review of management account linked bank statements.
	Debtors	Review debtors as per Company records and assess recoverability.
	Plant and Equipment and Stock	Liaising with the Director and company staff in relation to the Company’s plant and equipment and stock.
	Motor Vehicle	Liaising with the Roads and Maritime Services (“RMS”) in each state with respect

Task Area	General Description	Includes
		to current and historical motor vehicle searches.
	Expression of Interest Campaign	Discussions with the Director in relation to an opportunity to put forth an offer to purchase the business (or parts of the business). Ongoing correspondence with the Director in relation to same. All tasks associated with the expression of Interest Campaign and sale of business. Ongoing correspondence with interested parties in respect to the purchase of the business. Liaising with company staff in relation to the information required for the sale of business. Preparation, review and execution of documents relevant to the expression of interest campaign including a non-disclosure agreement with various interested parties.
	Other Assets	All tasks associated with identifying and securing other assets.
Creditors Hours: 52.36 Cost: \$23,411.09	Creditor Enquiries	Receiving and following up creditor enquiries via telephone and email. Reviewing and prepare correspondence to creditors and their representatives via facsimile, email and post.
	Creditor reports	Preparing initial report to creditors including the annexures. Discussions with the Director regarding the relevant information required for the reports to creditors.
	Secured Creditors	Liaising with secured creditors regarding status of appointment and ongoing correspondence.
	Dealing with claims, lodgements and proofs of debts	Receipting and filing Proof of Debt ("POD") when not related to a dividend. Reviewing the PODs and the supporting documents.

Task Area	General Description	Includes
		<p>Corresponding with creditors regarding POD when not related to a dividend. Review of related entity claims including shareholder claims and the nature of same.</p>
	Meeting of Creditors	<p>Preparation meeting notices, proxies and advertisements. Forwarding notice of meeting to all known creditors. Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Attendance at initial meeting of creditors. Creditor roll call at the initial meeting of creditors including the subsequent adjournments of the initial meeting of creditors. Dealing with creditor queries following meeting. Preparation and lodgement of minutes of meeting with ASIC. Provided copy of minutes of the initial meeting to creditors as requested.</p>
<p>Employees</p> <p>Hours: 9.60 Cost: \$4,679.50</p>	Employee Enquiries	<p>Receive and return employee enquiries via telephone and email. Maintain employee enquiry register. Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p>
	Employee Claims	<p>Liaising with Director and employees in relation to outstanding employee entitlements and PODs received.</p>
	Trade on Management	<p>Liaising with Management and Staff. Attendance on site. Issue correspondence to all utility providers advising of the Administrators appointment and continuing trade.</p>

Task Area	General Description	Includes
<p>Trade On Hours: 33.80 Cost: \$21,853.50</p>		<p>Liaising with suppliers to facilitate the setup of new accounts. Prepare exposure statements. Attend to the payment of wages as required. Prepare cheque requisitions in relation to trading expenses. Authorisation in relation to trading expenses and employee wages. Internal meetings regarding ongoing trade of the Company. Preparing trading statement. Authorising payments to suppliers. Issue correspondence to creditors regarding the company status. Liaising with superannuation funds regarding contributions and reconciliation of liabilities. Continue to monitor the Company's operations. Discussions in respect to the Company's trading position. Liaising with the Company's Director and staff in relation to payment of trading liabilities. Continue to update cash flows and exposure statement as required. Continued to provide updates as required.</p>
	<p>Processing Receipts and Payments</p>	<p>Entering receipts and payments into accounting systems.</p>
	<p>Budgeting and Financial Reporting</p>	<p>Reviewing Company's budgets and financial statements. Preparing cash flow spreadsheet and discussions with Directors and accountants. Maintaining cash flow spreadsheet.</p>
<p>Investigation</p>	<p>Conducting investigations</p>	<p>Discussions with Director and staff with respect to the Company's financial affairs.</p>

Task Area	General Description	Includes
Hours: 23.80 Cost: \$11,491.50		Reviewing the Company's books and records. Review and preparation of Company nature and history. Conducting and summarising statutory searches. Reviewing bank statements for possible voidable transactions available in a Liquidation scenario. Review of specific transactions and liaising with Director regarding same. Discussions with Director to establish the history of the Company.
	Preference Payments and Voidable Transactions	Conducting a review of the Company's records with respect to potential preference payments and/or voidable transactions and assessment of their potential recovery cross referenced to third party records. Collecting relevant documentation in support of any potential claim.
	Insolvent Trading	Conducting a review of the potential insolvent trading claims identified and assessment of recovery. Collecting relevant documentation in support of any potential claim.
Administration Hours: 16.16 Cost: \$8,033.59	General matters	Client setup
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists. Correspondence with Insurer regarding initial and ongoing insurance requirements. Liaising with the Director regarding pre-appointment insurance. Liaising with the Director regarding ongoing requirements.

Task Area	General Description	Includes
	ASIC forms	Preparing and lodging ASIC forms including forms 505 and 531. Preparing and lodging ASIC advertisements.
	ATO & other statutory reporting	Notification of appointment. Correspondence with ATO to collect RFD information.
	Planning / Review	Internal communication concerning administration. Discussions regarding status of administration.
	Bank account administration	Preparing correspondence opening accounts. Liaising with banking institutions Requesting bank statements.

3.3 Likely impact on dividends

We note the following with respect to the dividend:

- Pursuant to Section 556 of the Corporations Act 2001 (“the Act”), the Administrators have priority over all claims of creditors with respect to their remuneration incurred.
- The work the Administrators are entitled to be remunerated for in accordance with the Act is necessary to ensure the greatest possible return to creditors.
- Creditors should refer to details of a likelihood of dividend as detailed in the 439A Report to Creditors.

3.4 Remuneration recovered from external sources

As disclosed in the DIRRI in the initial report to creditors dated 12 July 2021, we have not been provided with any upfront payments or indemnity for the conduct of this Voluntary Administration.

Part 4: Disbursements

Disbursements are divided into three (3) types:

- A Externally provided professional services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- B1 Externally provided non-professional costs - these are recovered at cost. Examples of externally provided non-professional costs are travel, accommodation and search fees.
- B2 Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis. Details of the basis of recovery of each of these costs is discussed below.

We are required to seek creditor approval for disbursement types A and B1 but must provide a full summary of account of disbursements to creditors. We must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to seek creditor approval prior to the payment of internal disbursements (B2) where there may be a profit or advantage. Creditors will be asking to approve our internal disbursements where there is a profit or advantage prior to these disbursements being paid in the Liquidation.

Part 5: Report on Progress of the Administration

This remuneration report should be read in conjunction with the McGrathNicol's Administrators' 439A report to creditors which outlines the progress of the external administration.

Part 6: Summary of Receipts and Payments

A Summary of the Administrators' receipts and payments made up to 21 July 2021 is attached as Annexure.

Part 7: Queries

If you have any queries in relation to the information in this report, please contact Thanatorn Phadermchit of Mackay Goodwin via email at tphadermchit@mackaygoodwin.com.au.

You can also access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors; and
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

Part 8: Approval of remuneration and internal disbursements

As previously mentioned throughout this report, the resolutions will be put forward at the major meeting of creditors. Please refer to the notice of meeting enclosed with McGrath Nicol's 439A Report to Creditors for information regarding the meeting to be convened and the resolutions which will be put forward for creditor approval.

Dated this 5th day of August 2021



Domenic Calabretta
FORMER JOINT AND SEVERAL ADMINISTRATOR

Summarised Receipts & Payments

AUTONOMOUS ENERGY PTY LTD

(Administrators Appointed)

Transactions From 08 July 2021 To 21 July 2021

A/C Code	Account	Gross Amount
74	Closure of pre-appt bank account	586,087.13
Total Receipts (inc GST)		\$586,087.13
46	Sundry Expenses	6,468.00
47	Superannuation	9,382.82
51	Wages & Salaries	94,866.87
228	Superannuation Payable	(9,382.82)
234 - 1	Withholding Tax (PAYG) - Lump Sum A	(25,612.00)
Total Payments (inc GST)		\$75,722.87
Balance in Hand - By Bank Account		
213	Cheque/Investment Account	510,364.26
		\$510,364.26