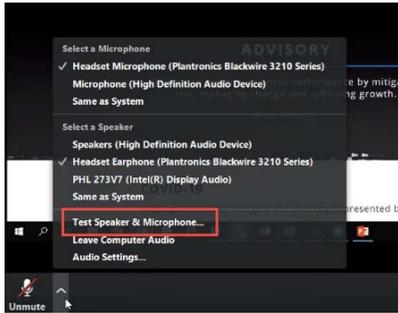


Please hold for the start of the meeting



Check your audio settings in the lower left as shown to select the appropriate microphone and speaker output or conduct a test.



Use the Q&A icon to submit questions or communicate with the host during the meeting.

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Tandem Corp Pty Ltd ACN 612 789 983
Tandem Digital Services Pty Ltd ACN 625 476 897
Infrastructure Services Group (Aust) Pty Ltd ACN 142 331 717
ISGA FinCo Pty Ltd ACN 612 825 797
ISGM Consulting Pty Ltd ACN 142 331 735
Tandem Property Works Pty Ltd ACN 600 211 603
ISG Management Pty Ltd ACN 142 916 970
(All Administrators Appointed)
(each a Company, and collectively the Insolvent Companies)

First Meeting of Creditors

13 July 2021


McGrathNicol



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Agenda

- **Introduction**
 - Formalities
 - Concurrent meetings
 - Purpose of meeting
 - Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) and remuneration
 - Role of the Voluntary Administrators
 - Voluntary administration timeline
- **Voluntary Administration**
 - Background and operations
 - Corporate structure
 - Administrators' actions since appointment
 - Potential return to creditors
 - Employees
 - Liquidation v DOCA
- **Questions**
- **Resolutions (Committee of Inspection)**



Formalities

- Open meeting
- Administrator Chairperson: IPR 75-50
- Introductions:
 - Matthew Caddy (Administrator)
 - Keith Crawford (Administrator)
- Quorum: IPR 75-105
- Attendance register
- Voting
- Time and place convenient: IPR 75-30
- Proofs of debt and proxies



Voting

IPR 75- 75 (3) requires that all votes at virtual meetings should now be carried by poll rather than on the voices.

How to vote



Creditors have been provided with instructions to vote by poll "surveys" in advance of the meeting. To vote please click the link that will be sent to all attendees in the "Chat" box or scan the QR code on screen at the time of voting. In the poll link, tick "In favour of", "Against" or "Abstain" for each resolution as the chairperson reads them out. The meeting will be temporarily suspended whilst votes are counted.

Voting via proxy



General proxies: fill in the online poll for each general proxy you hold – using each individual identification number you have been provided with.
Special proxies: we already have your creditor's vote (provided in advance)

How the resolution is passed



When more creditors (either in the online meeting or via proxy) vote for it than vote against it
AND
When those who vote for it are owed a greater amount of money than those who vote against it



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Meetings to be held concurrently

The Chairperson has determined that the meetings of creditors of the companies:

- Tandem Corp Pty Ltd
- Tandem Digital Services Pty Ltd
- Infrastructure Services Group (Aust) Pty Ltd
- ISGA FinCo Pty Ltd
- ISGM Consulting Pty Ltd
- Tandem Property Works Pty Ltd
- ISG Management Pty Ltd

(all Administrators Appointed)

collectively defined as 'the Insolvent Companies', should be held concurrently for the purpose of efficiency and on the basis that each Insolvent Company is party to an ASIC Deed of Cross Guarantee (which has the effect of giving creditors of any one Insolvent Company a claim against each other Insolvent Company). If the meetings are not held concurrently then a separate creditor meeting is required to be held for each company.

On this basis we will proceed with concurrent meetings of the Insolvent Companies. If any creditor objects to this approach please make this known to the Chairperson by using the 'Raise Hand' function or by written submission using the Q&A function.



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Purpose of meeting

- Convened under Section 436E of the Corporations Act to:
 - determine whether to appoint a Committee of Inspection to each Company, and if so, who are to be the Committees' members; and
 - consider the removal of the Administrators and appoint an alternative Administrator who has consented to act
- This meeting has no authority to consider any other business
- At the second statutory meeting, a decision is made regarding the Insolvent Companies' future



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Declaration of Independence, Relevant Relationships and Indemnities (DIRRI) and remuneration

DIRRI

- DIRRI dated 6 July 2021 – available on the Tandem creditor page of the McGrathNicol website
- DIRRI is available for inspection
- We remain of the view that we are free of any potential conflict of interest
- Tandem Corp Pty Ltd provided the Administrators with an unconditional up-front payment of \$1.0 million on 30 June 2021 to cover the Administrators' fees and operating costs incurred in the conduct of the Administration of the Insolvent Companies
- DIRRI tabled

Remuneration

- Schedule of rates provided with meeting information
- Comprehensive remuneration report will be provided prior to the second meeting of creditors



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Role of the Voluntary Administrators

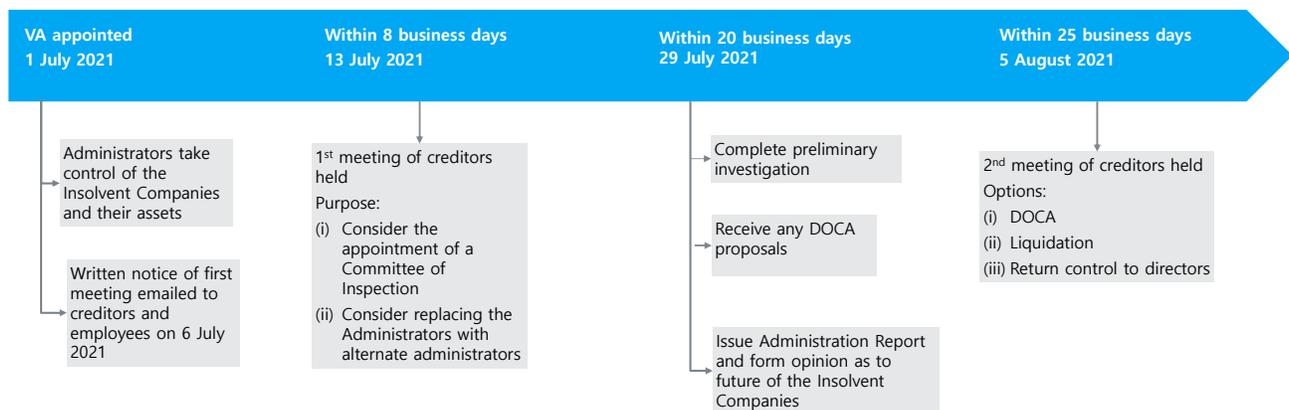
- Appointed by the Directors and represent the interests of all creditors
- Directors' powers are suspended and Administrators are in control
- Responsible for business operations:
 - Selling parts of the business and their assets
 - Holding meetings of creditors
 - Investigating reasons for failure
 - Preparing report to creditors
 - Making recommendations about the future of the Insolvent Companies:
 - > Return control of a Company to its Directors;
 - > Deed of Company Arrangement; or
 - > Liquidation



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Voluntary administration timeline



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Background to appointment

- The Tandem Group provides workforce contract management services to the telco, utilities and insurance sectors
- Declining customer volumes and class action defence costs placed significant pressure on the Tandem Group's liquidity
- A solvent restructure and sale of business strategy was being pursued in recent months
- During June 2021 a Group-wide \$12.0m funding requirement was identified
- Inability to secure additional funding ultimately led to the appointment of Administrators to the Insolvent Companies
- A number of entities within the Tandem Group were not placed into Administration and remain under the control of their directors
- The directors resolved that the Insolvent Companies were insolvent or likely to become insolvent and appointed Administrators
- The Administrators will investigate the reasons for the Insolvent Companies' failure and other matters including:
 - potential insolvent trading;
 - potential breaches of directors' duties; and
 - related party / associated entity transactions.

These matters will be discussed in a preliminary nature in our report to creditors ahead of the second meeting of creditors. Any creditor or person with information concerning the above is encouraged to provide details to the Administrators.

Unable to secure additional funding, the boards of directors formed the view that the Insolvent Companies were each either insolvent or likely to become insolvent, and resolved to appoint Administrators on 1 July 2021.

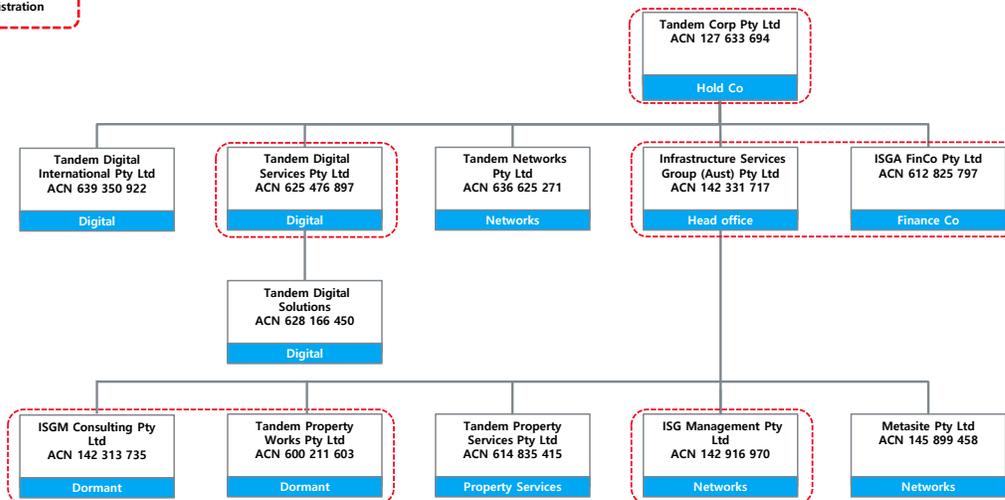


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Background – Corporate structure

Entities in Administration



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Administrators' actions since appointment

- Since their appointment the Administrators have progressed the Administration of the Insolvent Companies and have:
 - Entered into control and possession of the Insolvent Companies' assets and operations, including i) liaising with company management to understand the Insolvent Companies' position and critical requirements, and ii) preparing a detailed cash flow forecast for the initial period of the Administration, to continue operations and preserve assets for the benefit of creditors;
 - Held virtual briefings with employees and management immediately following the Administrators' appointment, rationalising operations where appropriate to maximise the prospective return to creditors;
 - Attended to statutory obligations as required by the *Corporations Act 2001* and considering additional operational, statutory, legal and regulatory requirements of the group where not all companies are subject to the Administrators' appointment;
 - Communicated with key stakeholders, suppliers and security interest holders;
 - Provided ongoing support for the intended sale of business, dealing with interested parties as appropriate; and
 - Convened and prepared for the first meeting of creditors.
- **Next steps**
 - Continue to provide ongoing support for the intended sale of business, including negotiations with interested parties, to maximise i) the opportunity of ongoing employment; and ii) the value of the business.
 - Investigate the affairs of the Insolvent Companies and prepare the Administrators' report to creditors.
 - Convene the second meeting of creditors to vote on the future of the Insolvent Companies.



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Potential return to creditors

- It is too early to form conclusive views on the potential return to unsecured creditors
- The order in which different classes of creditors are paid is determined by the Corporations Act
- Generally, the order of priority is as follows:
 - The costs and expenses of the Administration
 - Employees (from certain categories of assets)
 - Secured creditors
 - Unsecured creditors
 - Shareholders
- In liquidation, some avenues of recovery are open to creditors that are not otherwise available



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Employees

- The Insolvent Companies had approximately 200 employees as at the Administrators' date of appointment
- The Administrators are responsible for all wages and entitlements accrued post their appointment, to be paid from funding obtained and trading surpluses
- For pre-appointment entitlements, employees are afforded a priority under s556 of the Corporations Act
- Employee entitlements recoveries are available from the net proceeds of circulating asset realisations or may be preserved on a transfer of employment (if available)

Fair Entitlements Guarantee scheme (FEG)

- In the event of liquidation, and outstanding entitlements exist, employees have access to the Attorney-General's Department FEG scheme (subject to its terms and conditions)
- FEG is generally available when:
 - the employer is in liquidation;
 - employment was terminated due to insolvency/liquidation;
 - employees cannot get payment of the entitlements from other sources; and
 - employees were an Australian citizen or the holder of a permanent visa or special category visa that allowed the employee to stay and work in Australia at the time their employment ended.



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Liquidation vs Deed of Company Arrangement

Liquidation

- At the second meeting, creditors may vote for the liquidation of the Companies.
- Voidable transactions can be pursued in liquidation.
- Employees may access the Fair Work Entitlements Guarantee Scheme ("FEG").

Deed of Company Arrangement ("DOCA")

- A DOCA is a binding arrangement between a company and its creditors.
- The business may continue to trade (dependent on terms of the DOCA).

- In our report to creditors, we will make a recommendation concerning the future of the Insolvent Companies.
- The Administrators' preliminary view is that liquidation is the most likely outcome.



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Q & A

Resolutions – Alternate administrators

- Pursuant to section 436E(4) a resolution may be put to the meeting for creditors to consider:
 - removing the external administrators of the company; and
 - appointing another person as the external administrator of the company.
- We have not been given notice by any creditor of any proposed replacement administrator. Accordingly, there are no alternate administrator resolutions to put to creditors.

Resolutions – Committee of Inspection

- Pursuant to section 436E(1) and Insolvency Practice Schedule (Corporations) (IPS) 80-10, creditors may, by resolution, determine whether there is to be a committee of inspection.
- Role:
 - consult with the Administrators about matters relating to the administration;
 - receive and consider reports by the Administrators; and
 - approve Administrators' fees.
- A committee of inspection formed at the first meeting of creditors will dissolve at the second meeting of creditors, at which time creditors will again have the opportunity to appoint a committee of inspection.
- In advance of the meeting we received multiple expressions of interest from creditors wishing to nominate for representation on a committee of inspection. We will now provide an opportunity for additional nominations ahead of the relevant resolutions.
- We will use the Q&A function to correspond directly with nominees if necessary to ensure an appropriately sized and representative committee.



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Meeting suspended while COI nominations are considered

Meeting will resume shortly, this
webinar will remain active



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Resolutions – Committee of Inspection

1) Resolution – Committee of Inspection Appointment

That:

*National Australia Bank Limited;
Mr Christopher Hill representing Mr Robert Mutch;
Mr Adrian Kelly representing himself as an employee;
Mr Nathan Bradbery representing Bradson Communications; and
Ms Debbie Clarke representing FNQ Cable Locators
be appointed to the Committee of Inspection of the Insolvent Companies."*

To vote:

Paste the link from the chat box
into your web browser

Or

Scan this QR code



2) Resolution – Committee of Inspection's Profit or Advantage

"That despite the operation of IPS 80-55, members of the committee may directly or indirectly derive a profit or advantage from the external administration of the company if the profit or advantage is derived in the ordinary course of trading the business."



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Meeting suspended while votes are tallied

Meeting will resume shortly, this
webinar will remain active



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