

FOURTH MEETING OF THE COMMITTEE OF INSPECTION

Retail Adventures Pty Ltd (In Liquidation)
("The Company")
ACN 135 890 845

Held at the Offices of Deloitte Touche Tohmatsu
Level 8 Grosvenor Place, 225 George Street, Sydney NSW 2000
On Tuesday 29 July 2014 at 3pm (AEST)

- In Attendance:** Vaughan Strawbridge Liquidator, Deloitte Touche Tohmatsu
David Lombe Liquidator, Deloitte Touche Tohmatsu
Kathryn Evans Deloitte Touche Tohmatsu
Mark Clifton Herbert Smith Freehills
- Present:** The following Committee Members were in attendance:

Nick Mastrantonis – by telephone
Fiona Goh – by telephone
Tina Shur – by telephone
Verica Pavlovksa – by telephone
Michael Giannak – by telephone
- Opening of meeting:** Mr Strawbridge declared the meeting open at 3.04pm (AEST) on Tuesday 29 July 2014.

He advised this was the fourth meeting of the Committee of Inspection meeting of Retail Adventures Pty Limited (In Liquidation) and it will be referred to as RAPL or the Company for the period of the meeting.

He noted that he had received written confirmation that Bicheno has resigned as a member of the COI. This is because DSG and Bicheno ceased to be a creditor of RAPL with the Deed of Settlement signed last month.

He stated that at this meeting were David Lombe, Joint Liquidator, and Kathryn Evans of his office and Mark Clifton of Herbert Smith Freehills.

He noted that all Members are attending by teleconference and would be taken as having signed the attendance register.
- Appointment of Chairperson:** Mr Strawbridge advised that pursuant to Regulation 5.6.17(1) of the Corporations Regulations, that as Joint and Several Liquidator he would occupy the Chair.
- Purpose:** The Chairperson advised the purpose of the meeting was to:
- a. To consider, and if thought fit, pass a resolution approving the Liquidators to enter into a Deed of Settlement and related documents containing terms substantially to the effect of the terms detailed in Attachment 2 to the letter to the Committee of Inspection dated 25 July 2014; and
 - b. Fix the Liquidators' current remuneration for the period 15 March 2014 to 30 April 2014. A remuneration report was attached to the notice of meeting.
 - c. Fix the Liquidators' current remuneration for the period 1 May to 31 May 2014. Information for this period is also included in the remuneration report.
 - d. To consider any other business.
- Confidentiality:** The Chairperson noted the contents of this meeting and any documents referred to in this meeting and/or distributed to Committee Members are confidential and subject to the confidentiality agreements signed by all Committee Members.

Tabling of documents:	<p>The Chairperson tabled the following documents:</p> <ul style="list-style-type: none"> ▪ Notice of the Meeting of the Committee of Inspection dated 25 July 2014 ▪ Settlement Proposal from Bridges Lawyers ▪ Remuneration Report dated 25 July 2014. <p>He stated that if there were no objections to the tabling of these documents he will take them as being read. The Chairperson noted there were no objections.</p>
Time and place of meeting:	<p>The Chairperson stated he had not received any objections that the time and place was not convenient to the Committee Members. Therefore pursuant to Regulation 5.6.14 of the <i>Corporations Act 2001</i>, he declared that the meeting is held at a time and place most convenient for the majority of persons entitled to receive notice of the meeting.</p>
Quorum:	<p>As a majority of Members of the Committee are present the Chairperson declared in accordance with Regulation 5.6.16 of the <i>Corporations Act 2001</i>, that a quorum is present for this Committee of Inspection Meeting.</p>
Voting on resolutions:	<p>The Chairperson advised all motions are to be resolved on the voices.</p> <p>He requested that when a motion is called, could those who are in favour of the motion call yes and those against no.</p>
Item 1 of the agenda: Settlement proposal	<p>The Chairperson stated he would move the first item of the agenda – the settlement proposal received from Ms Jan Cameron.</p> <p>It was noted that Committee Members had been provided access to an electronic data room containing confidential information for Committee Members to review.</p> <p>The Chairperson stated that the key purpose of the meeting was to consider a settlement offer he had received from Ms Cameron to resolve any claims we have against her, the former directors, Ms Cameron’s advisors and related parties for:</p> <ul style="list-style-type: none"> • trading the company while it was insolvent • receiving payments in preference to other creditors prior to the Administrators’ appointment (‘preference payments’) • any other actions the Liquidators may have. <p>The consideration for this is \$13.84 million payable immediately.</p> <p>The Chairperson then had a confidential discussion with Committee Members which covered the following matters:</p> <ul style="list-style-type: none"> • history of the administration and liquidation, events and realisations to date • background to the offer • information reviewed by the Liquidators under the notices to produce • analysis by the Liquidators of the information available to them • the Liquidators’ reasoning behind recommending acceptance of the offer. In providing this reasoning the Chairperson discussed the following with the Committee: <ul style="list-style-type: none"> – the inherent risks in any litigation – the cost and time which it would take to successfully prosecute the claims to a final conclusion – the assessment of the ability of the Director and former Directors’ to satisfy any judgment if successful based on information received from the Directors and former Directors – the potential time, cost and uncertainty associated with steps that would be required to enforce a judgment – legal advice received including from Senior Counsel.

Resolution

The Chairperson put the following resolution:

“The Committee approve the liquidators executing the Terms of Settlement with Jan Cameron and others in the form tabled at the meeting subject to the deletion of paragraphs 2 and 3 and entering into a formal Settlement Deed and any related documents necessary to give effect to those terms as contemplated by paragraph 12 of the Terms of Settlement.”

After further discussion the final voting was as follows:

For: Ms Pavlovska
Ms Shur
Mr Giannak
Mr Mastrantonis

Abstentions: Mr Goh

The Chairperson declared the resolution passed.

Liquidators' remuneration

The Chairperson then moved to the next item on the agenda which are the resolutions regarding remuneration. He referred to the Remuneration Report provided to Committee Members.

There was a discussion regarding legal fees. The Chairperson advised he would provide information on total legal fees incurred during the administration and liquidation at the next meeting.

The Chairperson read the following resolution:

“That the remuneration of the Liquidators, their partners and staff, for the period of the Liquidation from 15 March to 30 April 2014 is fixed at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 25 July 2014 of fees equalling \$310,561.50 plus GST and disbursements, and that the Liquidators can draw the remuneration as required.”

For: Ms Pavlovska
Ms Shur
Mr Giannak
Mr Goh

Abstentions: Mr Mastrantonis

The Chairperson declared the motion carried.

The Chairperson then read the resolution for the fees for the period 1 May 2014 – 31 May 2014:

“That the remuneration of the Liquidators, their partners and staff, for the period of the Liquidation from 1 May to 31 May 2014 is fixed at a sum equal to the cost of time spent by the Liquidators and the Liquidators' partners and staff, calculated at the hourly rates as detailed in the Remuneration Report of 25 July 2014 of fees equalling \$185,165 plus GST and disbursements, and that the Liquidators can draw the remuneration as required.”

For: Ms Pavlovska
Ms Shur
Mr Giannak
Mr Goh

Abstentions: Mr Mastrantonis

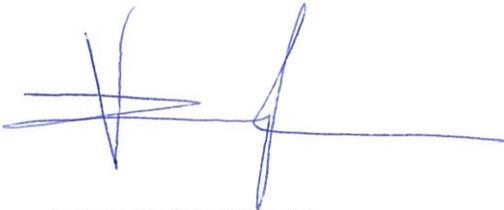
The Chairperson declared the motion carried.

Any other business The Chairperson asked if there any other business the Committee Members wanted to discuss.

There was nothing further.

The Chairperson advised he would confirm the outcome of the settlement offer.

Closure of meeting The Chairperson thanked Committee Members for their attendance and declared the meeting closed at 3.00pm.



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Vaughan Strawbridge
Chairperson
Dated: 28 August 2014