



McGrathNicol

### Initial Remuneration Notice

Kwikform Acquisition Holdings Pty Limited ACN 157 779 961  
Waco Kwikform Limited ACN 002 835 396 t/as Waco Kwikform, Star Scaffolds  
Kwikform Labour Services Pty Ltd ACN 646 377 013  
Star Labour Services Pty Ltd ACN 629 713 391  
Waco Kwikform Leasing Pty Limited ACN 073 932 135  
Kwikform Industrial Services Pty Limited ACN 165 660 551  
Kwikform Maintenance Services Pty Limited ACN 622 981 202  
Star Res Pty Ltd ACN 689 249 090  
Star NewCo Pty Limited ACN 695 592 842  
(each a Company, and collectively "Waco Australia")

The purpose of the Initial Remuneration Notice is to provide you with information about how we propose our remuneration for undertaking the voluntary administration will be set.

#### 1 Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner in a voluntary administration. They are:

- (a) **Time based/hourly rates:** This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work, multiplied by the number of hours spent by each person on each of the tasks performed.
- (b) **Fixed Fee:** The total fee charged is normally quoted at the commencement of the voluntary administration and is the total cost for the voluntary administration.
- (c) **Percentage:** The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.
- (d) **Contingency:** The fee is structured to be contingent on a particular outcome being achieved.

#### 2 Method chosen

Given the nature of this external administration, we propose that our remuneration be calculated on a time basis which will be recorded and charged in six minute increments. Details of the hourly rates for different levels of staff are included below. The complexity and demands of the external administration will determine the staff to be utilised for this appointment.

We have chosen the time based method because:

- This method is considered to be most suitable for this appointment as it ensures creditors are only charged for work that is performed in the Voluntary Administration, which can be difficult to accurately estimate at the date of appointment.
- Even later than the date of appointment, it can be difficult to estimate the time that may be required in advance of the substantive work being undertaken. The time based method in this case again ensures that creditors are only charged for work that is actually performed in the Voluntary Administration.
- We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC and distributing funds in accordance with the provisions of the *Corporations Act*.
- We have a time recording system that can produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the Voluntary Administration.
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed.



### 3 Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table, together with a general guide showing the qualifications and experience of staff engaged in the voluntary administration and the role they take in the voluntary administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Description	Hourly rate (excl GST)
Appointee/Partner	Registered liquidator, Chartered Accountant or equivalent and generally degree qualified with more than twelve years of experience. Leads assignments with full accountability for strategy and execution.	\$990
Director 1	Generally Chartered Accountant or comparable qualification and degree qualified with more than ten years of experience, including four years of Director or equivalent experience. Autonomously leads complex insolvency appointments reporting to Appointee/Partner.	\$885
Director	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than nine years of experience. Autonomously leads insolvency appointments reporting to Appointee/Partner.	\$815
Senior Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than seven years of experience. Self-sufficiently conducts small to medium insolvency appointments and leads major workstreams in larger matters.	\$770
Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than five years of experience. Self-sufficiently conducts small insolvency appointments and takes a supervisory role on workstreams in larger matters.	\$680
Assistant Manager	Generally Chartered Accountant or comparable relevant qualification and degree qualified with more than three years of experience. Autonomously manages workstream activity within appointments.	\$625
Senior Analyst	Generally degree qualified and undertaking Chartered Accountant's qualification or comparable relevant qualification with more than 16 months of experience. Completes tasks within workstreams and appointments under supervision.	\$570
Analyst	Generally degree qualified and undertaking or about to undertake Chartered Accountant's qualification or comparable relevant qualification with less than one year of experience. Assists with tasks within workstreams and appointments under supervision.	\$470
Undergraduate	Undertaking relevant degree. Assists with tasks within workstreams and appointments under supervision.	\$285
Senior Client Administration and Treasury	Appropriately experienced and undertakes senior level administrative support activities or Treasury activities. May be responsible for day to day management of projects or operations and may have supervisory responsibility for junior staff.	\$440
Administration	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	\$260



## McGrathNicol

McGrathNicol reviews its hourly rates on either 31 December or 30 June. Creditors will be advised of any change to the hourly rates for this external administration.

### 4 Estimated remuneration

We estimate that this voluntary administration will cost approximately \$1,500,000 to \$2,000,000 to the second creditors meetings (assuming the convening period is not extended), subject to the following variables which may have a significant effect on this estimate and which we are unable to determine until we have further progressed the voluntary administration:

- the timing, complexity and manner of a sale of the Waco Australia's business and assets, including the trading strategy and consideration of a sale transaction(s) or a Deed of Company Arrangement;
- the unpredictable level of work required to stabilise the businesses and take control of all staffing and operational matters;
- the quality of the books and records and reporting generally, and time that may be required to obtain books, records, funds and assets (if any) from the parties that hold them;
- the number and value of claims that may be received in the voluntary administration and work that may be required to adjudicate on those claims for voting and/or dividend purposes;
- the extent to which there are requirements to make applications for court relating to the appointment, including any extension of the convening period (we have assumed in our cost estimate that the convening period is not extended);
- whether there is a need to adjourn any of the meetings of creditors;
- investigations that may be required to ascertain the existence and location of any other assets, including potential legal actions that may be available to the external administrator; and
- any identified matters that are required to be reported to statutory authorities such as ASIC.

### 5 Disbursements

Disbursements are divided into two types:

- **External disbursements** – these are recovered at cost. Examples are travel, accommodation, postage, advertising, couriers and search fees.
- **Internal disbursements** – these disbursements are charged at a rate which recoups both fixed and variable costs and may include an element of profit or advantage to the External Administrator or a related party of the External Administrator. Examples are printing and data storage. 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 not required to seek creditor approval for disbursements paid to third parties where we are recovering at cost what was incurred on behalf of the administration, but must account to creditors. We must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of a disbursement where we, or a related entity of ours, may directly or indirectly obtain a profit. In these circumstances, creditors will be asked to approve our disbursements prior to these disbursements being paid from the Voluntary Administration.

Details of the basis of recovering disbursements in this external administration are provided below.

For clarity, it is noted that any time costs of any employee of McGrathNicol or any associated entity will be reported as part of our remuneration, for which approval may be sought.



**Basis of disbursement claim**

Disbursement type	Rate (GST exclusive)
<b>External disbursements</b>	
Postage	At cost
Stationery and other incidental disbursements	At cost
Conference call phone charges	At cost
Searches	At cost
Advertising	At cost
Courier	At cost
Staff per diem travel allowance*	\$98.00 per day**
Staff vehicle use	\$0.88 per km**
Specifically attributable IT costs (i.e. electronic signature envelope costs)	At cost
ASIC user pays levy	At cost
<b>Internal disbursements (that may have an element of profit or advantage)</b>	
Data processing – data loading & processing fee	\$20-\$60 per gigabyte (GB)***, minimum \$3,000 for matters less than 50GB.
Data hosting – monthly hosting fee	\$10 per GB, per month. Minimum \$1,000 for small matters. Large matters are priced on application.

\* Payable when partners or staff are required for business purposes to stay away from their usual place of residence overnight

\*\* These rates are deemed reasonable by the Australian Taxation Office

\*\*\* Tiered pricing model depending on volume of data to be hosted

***Further explanation of data hosting disbursements***

In the conduct of this Voluntary Administration, we may use McGrathNicol's Forensic Technology team to extract, aggregate, electronically process and/or host electronic data, which could be used for the:

- trade or sale of the business or assets; and/or
- investigations regarding transactions or potential recoveries available to creditors.

If data hosting is required and we choose not to use the services of McGrathNicol's Forensic Technology team, we will otherwise have to purchase those services from an alternative provider and/or use another method to achieve the same end, which will not be as efficient as using these available internal services.

We note that the data hosting rates above are no more than our standard commercial pricing available for the same services when they are provided to external parties.

**Dated: 10 April 2026**