
Deed of Company Arrangement

Proposal with Creditors' Trust

Waco Australia Group
(Kwikform Acquisition Holdings Pty Limited and its subsidiaries)

6 May 2026

Damien Pasfield, Jason Preston and Melissa Smith

Joint and Several Voluntary Administrators

McGrathNicol

Level 12, 20 Martin Place

Sydney NSW 2000

By email: wacoaustralasia@mcgrathnicol.com

**RE: 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
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
Kwikform Business Services Pty Limited ACN 688 765 764
Star Res Pty Ltd ACN 689 249 090
Star Labour Services Pty Ltd ACN 629 713 391
(Administrators Appointed)
(jointly and severally, the "Group" or "Waco Australia")**

PROPOSAL FOR A DEED OF COMPANY ARRANGEMENT

Dear Administrators

Presented hereunder are the details of the proposed Deed of Company Arrangement ("Deed" or "DOCA") for the Group. This proposal is intended to be annexed to the Administrators' report to creditors pursuant to s 75-225 of the Insolvency Practice Rules (Corporations) 2016 and placed before creditors at the second meeting of creditors convened under s 439A of the Corporations Act 2001 (Cth).

1. Proponent

- 1.1 This Deed is proposed by SSS Group Holdings Pty Ltd or its nominee, with final proponent to be confirmed ("Proponent").

2. Deed Administrator(s)

- 2.1 The Deed Administrators will be Damien Pasfield, Jason Preston and Melissa Smith of McGrathNicol, acting jointly and severally.

3. Transaction Structure

- 3.1 Entry into the Deed is subject to the acquisition by the Proponent of 100% of the issued shares in Kwikform Acquisition Holdings Pty Limited ACN 157 779 961 ("KAH"), such that the Proponent becomes the sole shareholder of KAH and (indirectly) of each of its subsidiaries that form part of the Group, excluding the Star Scaffolds business (which has been separately disposed of by the Voluntary Administrators).
- 3.2 The transaction is structured as a share sale at the KAH holding company level specifically to preserve the consolidated tax losses of the Group. The Proponent relies on the continuity of ownership and/or same business tests being satisfied at the KAH level.
- 3.3 The Star Scaffolds business historically operated by Waco Kwikform, Star Res, Star NewCo and Star Labour Services ("**Star Business**") is carved out and has been sold by the Voluntary Administrators to a third party. The proceeds of that sale, benefit of any contract

or agreement in respect of that sale, and any residual claims in respect of the Star Business or its assets are to be dealt with in accordance with the priority under the Corporations Act 2001 (Cth) and do not form part of this proposal and the employee entitlements of any employee exclusively engaged in the Star Business are to be excluded from the liabilities assumed by the Proponent under this proposal.

- 3.4 The United Scaffold Group business historically operated in New Zealand by APL Kwikform ("**USG Business**") has been sold by the Voluntary Administrators to a third party. The proceeds of that sale, benefit of any contract or agreement in respect of that sale, and any residual claims in respect of the USG Business or against APL Kwikform are to be dealt with in accordance with the priority under s 556, 560 and 561 of the Corporations Act 2001 (Cth) or Companies Act 1993 (NZ) and do not form part of this proposal and the employee entitlements of United Scaffolding Group employees are to be excluded from the liabilities assumed by the Proponent under this proposal.

4. Cash Contribution

- 4.1 Prior to the second meetings of creditors, the Proponent will pay \$3,000,000 (plus GST if applicable) in cleared funds ("**Cash Contribution**") to the Administrators' solicitors' trust account, or such other party as the Proponent and Administrators may agree, and held in escrow, on terms that it be paid to the Deed Administrators upon execution of the deed and, if the Deed is not signed for any reason within 15BD of the second meetings (or such later period as a court may allow), the Cash Contribution will be promptly returned to the Deed Proponent.

5. Employee Entitlements

- 5.1 The Proponent will assume and preserve all employee entitlements of the Group (estimated at approximately \$11,100,000), other than the entitlements of those employees subject to the structured redundancy program described in clause 5.2 and any entitlements relating to employees exclusively engaged in the Star Business or USG business ("**Assumed Entitlements**").
- 5.2 Prior to execution of the Deed, the Voluntary Administrators, in consultation with the Proponent will undertake a structured redundancy program in respect of certain employees as identified by the Proponent in respect of the Waco Kwikform Business. The aggregate entitlement value of redundancies effected under this clause is presently estimated at up to \$2m.
- 5.3 The entitlements of employees terminated under clause 5.2 will be included in, and dealt with by, the Creditors' Trust established under clause 8, with priority under s 556, 560 and 561 of the Corporations Act 2001 (Cth).
- 5.5 Continuing employees (i.e. employees whose employment continues with the Group) will have their Assumed Entitlements preserved by the Proponent and will not participate in the Creditors' Trust in respect of those Assumed Entitlements.

6. Secured Creditors and De Lage Landen ("DLL")

- 6.1 DLL holds a first-ranking registered security interest over the assets and undertakings of the Group in respect of borrowings of circa \$10,000,000.
- 6.2 Pursuant to the Deed, DLL will be paid 100 cents in the dollar from the Deed Fund.
- 6.2A Promptly following receipt of the Cash Contribution and Further Cash Contribution into the Deed Fund, the Deed Administrators will seek a payout figure from DLL and, promptly following receipt of this information, will apply the Deed Fund in repayment of the DLL secured debt.

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- 6.3 On repayment of the secured debt to DLL in full, the Proponent will be subrogated to DLL's first-ranking secured position and to all associated security interests, guarantees and undertakings, which shall remain in force in favour of the Proponent, and the Deed Administrators, or Administrators as relevant, will register a security interest as required.
- 6.4 The DOCA will contain terms that, following subrogation of the Proponent to the DLL secured debt pursuant to clause 6.3, the term of the secured debt will be extended by 12 months and all defaults and breaches waived, so that the Group is able to be returned to solvency.
- 6.5 Notwithstanding any contrary term of this proposal, if prior to the Proponent being required to pay the Further Cash Contribution into the Deed Fund, DLL either appoints receivers or receivers & managers or becomes a mortgagee in possession in respect of the assets of the Group, or threatens this or similar conduct, then the Proponent and Deed Administrators will co-operate to agree an arrangement pursuant to which the Further Cash Contribution will be paid by the Proponent directly to DLL together with sufficient further funds from the Deed Fund (sourced from the Cash Contribution) to repay the DLL secured debt in full, in which case the payment of the Further Cash Contribution to DLL by the Proponent will be deemed to constitute payment of the Further Cash Contribution into the Deed Fund for the purposes of this proposal (including for the purposes of clauses 8.6(b) and 14.4A).
- 6.6 Secured creditors (including DLL) and lessors will be treated in accordance with section 444D of the Corporations Act 2001.

7. Intercompany / Related Party Loans

- 7.1 Subject to adjudication, the Group owes approximately \$36,200,000 in intercompany loans to related overseas entities (including Waco UK Holdings, New Waco Africa P/L, Waco International P/L, Waco Zambia, Sanitech Botswana, KAH Bank, and Waco Africa) ("**Related Party Creditors**").
- 7.2 The Related Party Creditors will be compromised by the Deed and will be eligible to participate in the Creditors' Trust.

7A. Deed Fund

7A.1 The "**Deed Fund**" will be comprised of:

- (a) Cash Contribution of \$3,000,000 (to be released from trust by the Administrators and paid into the Deed Fund on execution of the Deed);
- (b) a "**Further Cash Contribution**" of \$9,000,000 payable, subject to clause 6.5 by the Proponent to the Deed Administrators within 2 weeks of the execution date of the DOCA;
- (c) "**Receivables**" generated of the Waco Kwikform business totalling \$2,000,000 (with value determined by the quantum of proceeds actually recovered by the Deed Administrators during the Deed period and not the face-value of the debts and, for the avoidance of doubt, this figure does not include receivables collected by the Administrators during the voluntary administration. The balance of the Group's receivables generated by the Waco Kwikform business will be retained by the Group for the benefit of the Proponent). Finally, the Proponent reserves the right to at any time instead pay into the Deed Fund cash equivalent to some or all of the Receivables;
- (d) the "**Retained Assets and Claims**", comprising the Group's right, title and interest in:

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- i. **APL Kwikform Related Party Assets**
 - A. All shares held by the Group in APL Kwikform Pty Ltd.
 - B. All intercompany loans, debts and related party claims owing by APL Kwikform Pty Ltd to the Group.
 - C. Any dividends, distributions or returns of capital arising in the administration or liquidation of APL Kwikform Pty Ltd.
 - D. Any assets or rights relating exclusively to the United Scaffolding Group business.
 - ii. **Star Business Assets**
 - A. All proceeds from the sale of the Star business.
 - B. The Star Business Sale Agreement, including all rights, benefits and entitlements.
 - C. All Star trade debtors and receivables.
 - D. Any claims, causes of action or rights arising from or relating to the Star business.
 - E. Any assets or claims relating exclusively to the Star business.
 - iii. **Legacy EXAD Claims**

Claims of the Group against former customers or counterparties that are subject to external administration as at the date of the Deed, including:

 - A. entities associated with the East Rockingham Waste-to-Energy Project;
 - B. Dartbrook Commercial Pty Ltd; and
 - C. VCON (Aust) Pty Ltd (and associated entities),

in each case where the claim relates to periods prior to DOCA execution.
 - iv. **Legacy Viva Claims**

Claims against VIVA Energy Australia Pty Limited (Geelong Refinery) arising from:

 - A. incorrect calculation or application of contractual discounts under:
 - o the 2019 scaffolding contract (1 January 2019 - 31 December 2021); and
 - o the 2022 scaffolding contract (from 1 January 2022); and
 - B. loss or non-return of scaffolding inventory or equipment supplied prior to DOCA execution.
 - v. **Legacy OSR Claims**

Any payroll tax rebate, refund, credit or reassessment entitlements from the Victorian State Revenue Office, including regional employer concession claims, to the extent referable to periods prior to execution of the DOCA.
 - vi. **Insurance Rights**
 - A. Rights under any insurance policies entered into prior to DOCA execution.
 - B. Insurance proceeds or indemnities referable to pre-DOCA insured events.
 - vii. **Residual Lease Interests**

Any residual value or recoveries arising from the termination or surrender of:

 - A. property leases; and
 - B. vehicle leases,

including fixed assets, chattels, payments or other value remaining following termination or surrender.
 - viii. **GST Refunds**

Any GST refunds, input tax credits or related adjustments referable to tax periods ending on or before DOCA execution, including associated objection or recovery rights.

ix. **Wrong-Pockets / After-Discovered Assets**

Any similar assets or rights forming part of the above categories that are identified after appointment; and

- (e) any bank account or term deposit plus any credit balance of or interest accruing on any credit balance of any account held in the name of, or for the benefit of, the Group or the Administrators as at execution of the Deed.

8. **Creditors' Trust**

- 8.1 The Deed Administrators will establish upon execution of the DOCA a "pooled" Creditors' Trust ("**Creditors' Trust**") for the benefit of the Participating Creditors of the Group on the terms set out in clauses 8 to 11.
- 8.2 Damien Pasfield, Jason Preston and Melissa Smith of McGrathNicol will jointly and severally be the trustees of the Creditors' Trust ("**Trustee**").
- 8.3 All unsecured creditors of the Group with admitted claims against the Group as at 7 April 2026 (being the date of appointment of the Administrators) will be bound by the Deed and will participate in the Trust ("**Participating Creditors**"), with the exception of the following excluded creditors ("**Excluded Creditors**");
- (a) Group members subject to the DOCA as between themselves with respect to intercompany loans;
- (b) any secured creditors (including DLL) to the extent of their secured claim consistent with section 444D Corporations Act; and
- (c) continuing employees in respect of their Assumed Entitlements (per clause 5.5).
- 8.4 Subject to clause 8.5, on effectuation of the DOCA in accordance with clause 14, Participating Creditors will be deemed to accept their entitlement under the Trust and Deed in full and final settlement of all of their claims or contingent claims against the Group as at or in respect of any event prior the date of appointment of the Administrators.
- 8.5 Creditors (including employees) with insured claims against the Group will have their claims preserved so they can pursue insured claims, but any liability of the Group which is not insured will be a Participating Creditor claim only be payable from the Trust, and will not be recoverable from the Group.
- 8.6 Subject to:
- (a) receipt of the Cash Contribution Amount;
- (b) receipt of the Further Cash Contribution;
- (c) deposit of \$2m into the Deed Fund from Receivables; and
- (d) confirmation from DLL that the secured debt has been repaid in full,
- the assets in the Deed Fund (including cash at bank but excluding the Retained Assets and Claims) will be settled into the Creditors' Trust to be applied by the Trustees in accordance with the Creditors' Trust Deed. The Retained Assets and Claims will be treated in accordance with clause 9, with the intention that their benefit will be monetised by the Trustees for the benefit of the beneficiaries of the Creditors' Trust.
- 8.7 The Trustee shall have full access to all Group records on an ongoing basis until satisfaction of all Trust obligations and their retirement. The Trust obligations will be

deemed satisfied when all Trust Fund payments have been made and the Trustee has distributed the Trust Fund, at which time the Trust will end.

9. Certain Retained Assets and Claims and Star post-completion steps

- 9.1 Legal claims forming part of the Retained Assets and Claims (being, the Legacy OSR Claims, Legacy Viva Claims and Legacy EXAD Claims and any other claims nominated by the Deed Administrators)) will not be legally assigned to the Trustees, and will remain legally owned by the Group in order to ensure that the claims are fully preserved and able to be enforced against third parties. However, the benefit of these claims will be held by the Group for the benefit of the Trustees, who in turn will hold them on trust for the beneficiaries under the Trust. The Trustees will have a power of attorney from the Group to cause the Group to take all necessary steps to monetise these claims (which may include litigation), but will indemnify the Group for any associated costs or liabilities.

10. Application of Deed Fund and Creditors' Trust

- 10.1 Subject to clause 6.2A dealing with the repayment of the DLL secured debt, the Deed Fund and Creditors' Trust shall be applied by the Administrators and Trustee in the following order:
- (a) first, all remuneration, fees, expenses, liabilities and costs (including trading costs) of the Voluntary Administrators;
 - (b) second, all remuneration, fees, expenses, liabilities and costs (including trading costs) of the Deed Administrators;
 - (c) third, all remuneration, fees, expenses, liabilities and costs (including any trading costs) of the Trustee;
 - (d) fourth, all priority employee creditor claims of terminated employees (including under clause 5.2), including superannuation, superannuation guarantee charge ("SGC"), outstanding wages, annual leave, long service leave, pay in lieu of notice and redundancy pay in accordance with s 556, 560 and 561 of the Corporations Act 2001 (Cth); and
 - (e) finally, payment on a pari passu basis to admitted Participating unsecured creditors.
- 10.2 Creditors claims are to be determined as at 7 April 2026. No interest is payable on any creditor claim beyond 7 April 2026.

11. Actions to be Undertaken by the Voluntary Administrators Prior to DOCA Execution

- 11.1 As a fundamental commercial premise of this proposal, the Voluntary Administrators will undertake the following actions prior to, or concurrently with, execution of the Deed, such that the associated liabilities (and, where applicable, the proceeds) form part of the Trust Fund and/or are excluded from the liabilities assumed by the Proponent:
- (a) terminate the leases and occupancy of the Group's:
 - a. Head Office at 1 Homebush Bay Drive, Rhodes NSW;
 - b. Geelong yard at 4 and 5 Kambouris Court, Corio VIC;
 - c. Perth yard at 96 Armstrong Road, Hope Valley WA; and
 - d. Brisbane 50-56 Kellar Street Berrinba QLD.
 - (b) terminate vehicle leases identified by the Proponent;

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- (c) terminate all IT contracts, as agreed between the Administrators and Proponent; and
 - (d) undertake the structured redundancy program described in clause 5.2, in consultation with the Proponent.

12. Assets Retained by the Proponent (Post-Execution)

12.1 On execution of the Deed, the Group will retain the benefit of all Group assets other than those in the Deed Fund or assigned to or held on trust for the Creditors' Trust under clauses 7A and 8 and the Retained Assets and Claims, and excluding the Star Business which is carved out. For the avoidance of doubt, the assets retained by the Proponent include, subject to clause 9:

- (a) all accounts receivable of the Group and all proceeds thereof (save the Receivables and related proceeds);
- (b) all hire equipment (book value approximately \$34 million);
- (c) all plant, motor vehicles (subject to clause 11(b)), inventory and consumables;
- (d) all intellectual property, including the "Waco", "Kwikform" and related business names and trade marks;
- (e) all customer contracts, goodwill, IT systems (to the extent not terminated under clause 11(c)) and subsidiary shareholdings within the KAH group;
- (f) all bank guarantees on all projects and properties of the Group (which are to be remain in place and be retained by the Proponent); and
- (g) all other assets of the Group not expressly forming part of the Trust Fund or the Retained Assets and Claims or the Star carve-out.

13. Conditions Precedent

13.1 Execution of the Deed is conditional upon each of the following conditions being satisfied (or waived by the Proponent) on or before the DOCA execution date:

- (a) approval of the Deed by the requisite majority of creditors or the Administrators' casting vote at the second meeting of creditors convened under s 439A of the Corporations Act 2001 (Cth); and
- (b) completion by the Voluntary Administrators of the actions set out in clause 11 to the reasonable satisfaction of the Proponent, including the structured redundancy program.

14. Control during Deed period, effectuation and termination

14.1 Immediately on execution of the Deed, the parties will take steps to replace the board of the Group with the Proponent's nominee directors (who will be identified by the Proponent prior to the second meetings) and, following their appointment, control of the Group will move from the Deed Administrators to the replacement board. However, the Deed Administrators will retain such powers as are necessary to perform their functions under the Deed, including collection of the Receivables.

14.2 During the Deed period, the Proponent will be responsible for funding the trading of the business

14.3 The Deed will effectuate following:

- (a) transfer of the Deed Fund into the Creditors' Trust in accordance with clause 8.6;
- (b) repayment of the DLL secured debt in full; and
- (c) transfer of all issued shares in Kwikform Acquisition Holdings Pty Ltd (admin appt) to the Proponent or its nominee.

14.4 If the Proponent fails to pay the Further Cash Contribution on the required date, the Deed Administrators may determine to provide up to a further 5 business days for payment, or terminate the DOCA, or call a creditors meeting to determine whether the DOCA should be terminated. If the DOCA is terminated for non-payment, the Cash Contribution will not be refundable.

14.4A Receipt into the Deed Fund of the Cash Contribution Amount Payment and Further Cash Contribution, will be a condition precedent to the transfer of the issued shares in Kwikform Acquisition Holdings Pty Ltd (admin appt) to the Proponent or its nominee.

15. Miscellaneous

15.1 The Deed will include powers and the Creditors' Trust Deed a power of attorney to enable the, respectively, Deed Administrators and Trustees, to attend to any completion or post-completion steps relating to the sale of the Star or United Scaffolding business.

15.2 The Group (post-execution) covenants to remit all future taxes falling due after the execution of the Deed by their respective due dates.

15.3 Former directors and Waco SA Security Pty Ltd, KGB Angola and Waco Africa Proprietary Limited to be released from claims.

15.4 All monies paid to the Creditors' Trust are not refundable to the Group, the Proponent or any third party, and are to be held on trust by the Trustee for the benefit of the beneficiaries under the Creditors' Trust.

15.5 The DOCA is to include any variation to these terms, or additional term which is necessary or desirable to give effect to the above proposal, and in each case which is agreed between the Proponent and the Deed Administrators, such other terms as are otherwise customary for a deed of company arrangement and creditors' trust deed or required by law.

Yours faithfully,



For and on behalf of SSS GROUP HOLDINGS PTY LTD
THE PROPONENT