EDDIE SENATORE
Advisory

PO Box 3481
MANUKA ACT 2603

+61 2 6100 3435
hello@eddiesenatore.com
eddiesenatore.com

22 May 2023

Remuneration advice

Behemoth Canberra Pty Limited ACN 656 100 793

The Company

Introduction

You have requested that I consent to act as voluntary administrator for the Company. This information sheet is to assist you with understanding how remuneration is calculated and paid.

Whilst I may provide you with an estimate of the cost in this document, I advise that the actual remuneration drawn in this administration will be subject to the approval of the creditors, committee of creditors or court, after I have provided a remuneration approval report.

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. 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 administration and is the total cost for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

C. ***Percentage****:* The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

D. ***Contingency:*** The practitioner's fee is structured to be contingent on a particular outcome being achieved.

ABN 23 108 190 316 LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION.

Method proposed

Given the nature of this administration I propose that my remuneration will be calculated on a *Time Based/Hourly Rate*. This is because:

- It ensures that creditors are only charged for work that is performed.
- The Practitioner is 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, distributing funds in accordance with the provisions of the Corporations Act.
- The practitioner is unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the voluntary administration.
- The practitioner has 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 administration;
- Time based remuneration calculates fees upon a basis of time spent at the level appropriate to the work performed;
- the method provides full accountability in the method of calculation

Details of the hourly rates are included below.

Creditors will be advised of the proposed basis of remuneration in my initial remuneration advice to them.

Explanation of Hourly Rates

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

ABN 23 108 190 316 LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION.

Title	Description	Hourly Rate (excl GST)
Appointee	Registered liquidator, Chartered Accountant, degree qualified with more than twelve years of experience. Assignment lead.	$550
Manager	Chartered Accountant and degree qualified with more than five years of experience. Self-sufficiently conducts insolvency appointments and takes a supervisory role on matters.	$400
Intermediate	Generally degree qualified and undertaking or about to undertake professional year qualification or comparable relevant qualification with less than one year of experience.	$300
Secretary	Appropriately experienced and undertakes senior activities such as oversight of the processing of payment of receipts and banking administration.	$220
Clerk	Appropriately experienced and undertakes support activities such as meeting coordination and preparation of materials where it is efficient and appropriate to do so.	$150

Estimated Remuneration

I estimate my remuneration for this administration will be between $20,000 to $30,000, subject to the following variables which may have a significant effect on this estimate and that I am unable to determine at this early stage in the administration:

- The extent of enquiries requested by creditors.
- The outcome of investigations.
- Any assets or liabilities discovered/not reported by the director during my investigations.
- Offences committed by the directors of the Company which require reporting.

ABN 23 108 190 316 LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION.

Disbursements

Disbursements are divided into three types:

- ***Externally provided professional services*** - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- ***Externally provided non-professional costs*** such as travel, accommodation and search fees - these are recovered at cost.
- ***Internal disbursement***s 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.

I am not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the administration.

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

Basis of disbursement claim

Disbursements will be claimed at cost.

Further Information

Do not hesitate to contact me should you require further information. You can contact me at hello@eddiesenatore.com.

Ezio (Eddie) Senatore

Digitally signed by Ezio (Eddie) Senatore
Date: 2023.05.22 09:48:18 +10'00'

Ezio (Eddie) Senatore
Administrator

ABN 23 108 190 316 LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION.