

16 March 2018

Our Ref: PYP\_457365.0003r8

**CIRCULAR TO CREDITORS**  
**SURFSTITCH GROUP LIMITED (ADMINISTRATORS APPOINTED) ACN 602 288 004 ("COMPANY")**

John Park, Quentin Olde and Joseph Hansell were appointed Administrators of the Company and SurfStitch Holdings Pty Limited ("SHPL") on 24 August 2017 pursuant to Section 436A of the *Corporations Act 2001 (Cth)* ("the Act").

**SECOND MEETING OF CREDITORS**

In accordance with Section 439A of the Corporations Act (Cth) 2001, the Administrators of the Company have convened a Second Meeting of Creditors of the Company at **1:00pm (AEST) Wednesday, 4 April 2018** at The Ionic Room, SMC Conference & Function Centre, 66 Goulburn Street, Sydney NSW 2000. Registration for the meeting will commence at 12:30pm (AEST).

To facilitate creditors based in QLD, a satellite venue has been arranged at the Surfstitch Head Office, 225 Burleigh Connection Road, Burleigh Heads QLD 4220. Any creditors wishing to attend the satellite venue, must inform FTI Consulting (FTI) by no later than 2:00pm (AEST) Thursday, 29 March 2018.

Creditor documentation for the meeting must be submitted to FTI by no later than **2:00pm (AEST) Thursday, 29 March 2018**. Details of how to lodge your claim with FTI is provided on the following page.

**MEETING DOCUMENTS**

\*Attached are the following meeting documents:

- Notice for the Second Meeting of Creditors of the Company and SHPL;
- Informal Proof of Debt of Claim Form ("POD");
- Appointment of Proxy Form ("Proxy"); and
- Guidance notes for completing proxy and proof of debt or claim forms.

Creditors are requested to carefully read the important notes with respect to the completion of the Informal Proof of Debt and Appointment of Proxy forms.

## REPORT TO CREDITORS

A copy of our Report "*Administrators Report for Second Meeting of Creditors*" issued pursuant to Section 439A of Act ("Report") is further \*attached.

The Report and all previous circulars can also be downloaded from our website, as follows:

Website Access: <http://www.fticonsulting-asia.com/creditors/surfstitch-group-limited>  
Password: 457365.SGL

## LODGING CLAIMS FOR THE PURPOSES OF VOTING AT THE SECOND MEETING

To be eligible to vote at the Second Meeting, creditors must lodge a:

1. POD, providing particulars and material evidencing your claim (if you have not already done so); and
2. Proxy (if applicable),

with FTI by no later than 2:00pm (AEST), Thursday, 29 March 2018. Lodgement can be made as follows:

Email: [surfstitch\\_enquiries@fticonsulting.com](mailto:surfstitch_enquiries@fticonsulting.com)

Address: C/- FTI Consulting, GPO Box 3127, BRISBANE QLD 4001

Fax: (07) 3225 4999

Please contact Paris Parasadi of this office on (07) 3225 4927 or [surfstitch\\_enquiries@fticonsulting.com](mailto:surfstitch_enquiries@fticonsulting.com) if you have any queries in relation to the meeting, the enclosed documents or the administration generally.

Yours faithfully

**SurfStitch Group Limited (Administrators Appointed)**



**Joseph Ronald Hansell**  
Joint and Several Administrator

\*Attach

## **GUIDANCE NOTES FOR COMPLETING PROXY AND PROOF OF DEBT OR CLAIM FORMS**

### **APPOINTMENT OF PROXY**

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the creditor is a company or a firm, a person needs to be appointed to represent the company. This representative needs to be appointed by completing the Form of proxy in accordance with section 127 of the Act. Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint the Chairman of the Meeting as your proxy. The Chairman can be appointed as a general proxy or a special proxy. This is entirely your choice.

### **FORM 535 - INFORMAL PROOF OF DEBT OR CLAIM FORM**

The proof of debt submitted during an Administration is informal in that it does not mean that the Administrator has agreed with your proof for the purpose of making a distribution.

It is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration. In the event that there are monies to be distributed to creditors in the future, you will need to submit a Formal Proof of Debt or Claim form.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the Form so we know what you've attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the Company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the Company.

*If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.*

**INFORMAL PROOF OF DEBT OR CLAIM FORM**  
**SURFSTITCH GROUP LIMITED (ADMINISTRATORS APPOINTED)**  
**ACN 602 288 004 ("THE COMPANY")**

For voting purposes at the meetings of creditors to be held under section 436E and section 439A of the *Corporations Act 2001*, including any adjournment of those meetings.

1. This is to state that the Company is justly and truly indebted to: *(add name and address below)*

.....

for *(insert amount of debt)* \$..... Particulars of the debt are:

Date	Consideration	Amount	Remarks
		\$	

2. Is the debt secured:            Yes    No    *(please circle one)*

If yes, please include details below regarding the security (how it arose, date, whether registered etc.):

.....  
 .....

3. Signed by (select option):

- I am the creditor personally OR
- I am employed by the creditor and authorised in writing by the creditor to make this statement OR
- I am the creditor's agent authorised in writing to make this statement in writing.

I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

I nominate to receive electronic notification of notices or documents by email at the following address:

.....

Dated: .....

.....  
 Name and signature of authorised person

.....  
 Name and signature of authorised person

Email: .....

Telephone: .....

<b>APPOINTMENT OF PROXY</b>	<b>Corporations Regulations 5.6.29</b>
SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 ("the Company")	

A. Insert Full Name and Contact Details (please print)

_____	_____
Given Name	Surname
_____	_____
Company Name	Telephone Number
_____	
Address	

B. Appointment of a Proxy (please complete)

I/We, a creditor of the Company appoint:

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy, or in his/her absence \_\_\_\_\_, to vote at the meeting of creditors to be held on 4 April 2018 at The Ionic Room, SMC Conference & Function Centre, 66 Goulburn Street, Sydney, NSW 2000 at 1.00pm or at any adjournment of that meeting.

C. Voting by Your Proxy

Option 1: If appointed as a general proxy, as he/she determines on my/our behalf.

AND/OR

Option 2: If appointed as a special proxy for some or all resolutions, specifically in the manner set out below (please tick)

Resolution		Manner of Voting (Please specify by tick)		
		For	Against	Abstain
1	For creditors of the Company to resolve whether or not that: <b>'For' should only be selected for one of the options in Resolution 1</b>			
	- The Company execute a deed of company arrangement proposed by EziBuy Holdings Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- The Company execute a Deed of Company Arrangement proposed by the Cheadle Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- The Company be wound up	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- The administration should end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- The Second Meeting of Creditors be adjourned for a period not exceeding forty-five (45) business days			
2	To consider the appointment of alternative deed administrators or liquidators (as applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	The remuneration of the Voluntary Administrators of SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 for the period 24 August 2017 to 11 March 2018 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017 (Corporate Finance & Restructuring and Strategic Communications), and is determined and approved for payment in the amount of \$933,007.00 plus GST and the Voluntary Administrators can draw the remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4	The remuneration of the Voluntary Administrators of SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 for the period 12 March 2018 to 3 April 2018 (inclusive) be calculated on a time basis at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017 (Corporate Finance & Restructuring and Strategic Communications), and is determined and approved for payment in the amount of \$194,000.00 plus GST and the Voluntary Administrators can draw the remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	The future remuneration of the Voluntary Administrators of SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 for the period from 4 April 2018 to the Execution of the DOCA (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Voluntary Administrators and staff of FTI Consulting, calculated at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017 (Corporate Finance & Restructuring and Strategic Communications), up to an initial capped amount of \$59,000.00 plus GST, and the Voluntary Administrators can draw the remuneration as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	The future remuneration of the Deed Administrators (or Trustees) of SurfStitch Group Limited (Subject to Deed of Company Arrangement) ACN 602 288 004 from the Execution of the DOCA to the Conclusion of the DOCA (or if a Creditors Trust is created, to the Conclusion of the Creditors' Trust) (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Deed Administrators (or Trustees as applicable) and staff of FTI Consulting, calculated at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017, up to an initial capped amount of \$498,000.00 plus GST, and the Deed Administrators (or Trustees if applicable) can draw the remuneration as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	The future remuneration of the Liquidators of SurfStitch Group Limited (In Liquidation) ACN 602 288 004 for the period from 4 April 2018 to the Conclusion of the Liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of time incurred by the Liquidators and staff of FTI Consulting, calculated at the hourly rates set out in the Schedules of FTI Consulting Standard Rates effective 1 March 2017 (Corporate Finance & Restructuring and Strategic Communications), up to an initial capped amount of \$598,000.00 plus GST, and the Liquidators can draw the remuneration as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	The cost of the internal disbursements of the Administrators of SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 for the period 24 August 2017 to 11 March 2018 (inclusive) be calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates and is determined and approved for payment in the amount of \$2,125.91 plus GST and the Administrators can draw the cost of those internal disbursements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	The cost of the future internal disbursements of the Administrators of SurfStitch Group Limited (Administrators Appointed) ACN 602 288 004 for the period from 12 March 2018 to 4 April 2018 (inclusive) is determined and approved for payment at a sum equal to the cost of the internal disbursements incurred by the Administrators and staff of FTI Consulting, calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates, up to an initial capped amount of \$1,000.00 plus GST, and the Administrators can draw the cost of those internal disbursements as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10	The cost of the future internal disbursements of the Deed Administrators (or Trustees) of SurfStitch Group Limited (Subject to Deed of Company Arrangement) ACN 602 288 004 for the period from the Execution of the DOCA to the Conclusion of the DOCA (or Creditors Trust if applicable) (inclusive) is determined and approved for payment at a sum equal to the cost of the internal disbursements incurred by the Deed Administrators (or Trustees) and staff of FTI Consulting, calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates, up to an initial capped amount of \$2,000.00 plus GST, and the Deed Administrators (or Trustees) can draw the cost of those internal disbursements as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	The cost of the future internal disbursements of the Liquidators of SurfStitch Group Limited (In Liquidation) ACN 602 288 004 for the period from 4 April 2018 to the Conclusion of the Liquidation (inclusive) is determined and approved for payment at a sum equal to the cost of the internal disbursements incurred by the Administrators and staff of FTI Consulting, calculated at the rates set out in the Schedule of FTI Consulting Internal Disbursement Rates, up to an initial capped amount of \$2,000.00 plus GST, and the Liquidators can draw the cost of those internal disbursements as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	Should the Company proceed into Liquidation, appoint a Committee of Inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Should Liquidators be appointed, that the Liquidators are authorised to destroy the Company's books and records upon finalisation of the liquidation, and subject to obtaining consent from the Australian Securities and Investments Commission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**D. Signature Section (in accordance with Sections 82A, 127 or 250D of the Corporations Act 2001 (Cth))**

Signature of individual or person authorised by corporate resolution to represent corporation

Print Name:

The common seal was affixed hereto in the presence of:

Director

Director/Company Secretary

Dated this                    day of

**CERTIFICATE OF WITNESS**

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested by the person nominated as proxy. I, \_\_\_\_\_ of \_\_\_\_\_ certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

Signature of witness: \_\_\_\_\_