



WEXTEDadvisors
SPECIALISED | CORPORATE | STRUCTURING

Joseph Hayes Managing Partner



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Qualifications and Memberships

Registered
Liquidator

Member,
Chartered Accountants
Australia and New Zealand

Member,
Australian Restructuring,
Insolvency and Turnaround
Association

Member, Turnaround
Management Association

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Joe is the Managing Director at Wexted Advisors, a boutique firm providing independent and specialised structuring advisory services to clients facing or exposed to business challenges, or confronting complex transactions or situations.

He has over 28 years' experience in the sector, including 15 as a Partner at KPMG and McGrathNicol, before forming Wexted Advisors on 1 July 2017.

Summary

Joe is highly skilled advising parties with diverse objectives or disputed positions to achieve best outcomes. Working closely with management, boards, lenders and owners, Joe has undertaken many large and complex restructuring and insolvency cases over a long period.

He also has significant expertise in the supervision of complex litigation and the successful settlement of multi-party disputes, and has given expert evidence in court proceedings.

Wexted Advisors

Our specialised services include:

- Safe Harbour: Working with directors seeking Safe Harbour Protection, including development of Better Outcome Plans
- Evaluations: reporting on financial performance and position, and options available for owners/stakeholders
- Forecasting: reviewing and preparing forecasts to measure profitability and debt serviceability, working capital and the economic interests of debt/equity
- Structuring: formulating structural, capital, financial and operational solutions
- Transactions: structuring and completing difficult acquisitions/divestments
- Solvency: delivering Expert Reports for court proceedings or mediation
- Insolvency: administration, receivership and liquidation processes with emphasis on complex cases
- Litigation: practical management of and commercial advice in complex litigation and mediation scenarios
- Governance: identification of governance shortcomings and new governance procedures

Safe Harbour

A key area of Joe's expertise is in assisting the restructuring of companies seeking Safe Harbour Protection pursuant to Section 588GA of the Corporations Act. These appointments typically involve helping Boards to:

- Ensure the company meets the eligibility criteria

- Consider the courses of action available and the likely impact of those strategies on financial position
- Assistance with stakeholder negotiations forming part of restructuring
- Consolidation of courses of action into a restructuring plan
- Comparison of the forecast outcomes under the plan as against outcomes in the event of an appointment of an administrator or a liquidator
- Determination of whether the restructuring plan is a better outcome

Recent advisory engagement experience

Project Salford: Safe Harbour Advisor to a large private transportation company negatively impacted by the ongoing drought in Australia. We assisted the Board to consider a range of options including capital raise, cost saving reductions and divestment of assets and business units. This resulted in maximising the return to stakeholders.

Project Oxley: Safe Harbour Advisor to a start-up telecommunications company facing liquidity issues. We assisted the Board in providing a stable environment to implement courses of action to raise capital, reduce operating costs and divest a business unit. This resulted in maximising the return to creditors.

Project Fitzroy: Safe Harbour Advisor to a financial services company facing liquidity issues as a result of the Royal Commission into misconduct of the Banking, Superannuation and Financial Services Industry. We assisted in working with key stakeholders to consider options, implement the options, and facilitate a structured and stable solvent wind down of the business. This resulted in preserving equity for existing shareholders.

Project Kent: Safe Harbour Advisor to a publicly listed global medical technologies company facing liquidity issues. We assisted the company stabilise operations, refinance secured debt, obtain a placement of capital, issue a rights issue, embark on an operational restructure and replace directors. Significant value has been created as part of the better outcome restructuring process.

Project Rose: Safe Harbour Advisor to a publicly listed global financial services company operating in the mobile banking and payments processing business. We have assisted the company understand its current position, sell a significant business enterprise, stabilise the remaining business, obtain convertible note capital, and announce an underwritten rights issue, to properly exploit its technology.

Project George: Safe Harbour Advisor to a significant private company operating in the civil engineering construction sector, providing professional services on projects. We assisted the company negotiate with its lenders and operating partners, to facilitate a restructure enabling stable project completion that would allow for the repayment of lenders and creditors, and preserve equity.

Project Pitt: Safe Harbour Advisor to an unlisted public company, which owns patents and overseas research and development of alternative power technology. We assist the company renegotiate the terms of its secured noteholder debt and consider a restructure of its arrangements with shareholders.

Project Buffalo: Safe Harbour Advisor to a national retailer facing liquidity issues. We assisted the Board formulate a restructuring plan designed to refinance debt and lower operating costs.

Project Montague: Advisor to the Responsible Entity for a significant real estate investment trust, in dispute with its major securityholders. We assisted restructure the operations, outsource certain business operations, avoid insolvency, and ultimately assist facilitate the sale of securities to consolidate

Project Bourke: Advisor to a private mining company facing short-term liquidity issues. We assisted the company, and their capital advisors, to understand the timing and quantum of short-term cash requirements, the key risks to cashflow and potential improvements to working capital. Our advice provided the Board with an independent summary of the cash requirements, both the quantum and timing, to enable the Board to make informed decisions on the capital structure. We provided the Board with options to consider raising debt or equity on competitive terms over a structured timetable. This resulted in preserving the equity value for existing shareholders.

Recent insolvency engagement experience

Top Ryde Shopping Centre: Receiver and Manager of a large regional shopping centre in Sydney with over 300 retail stores. The Centre had \$750M in syndicated debt, complex subordinated positions and significant disputes between owners and lenders. Joe's role required dealing with (and replacing) difficult management, completion of construction (with over 1,000 defects), liaison with council, appointment of a new management team, management and exit of sub debt positions, determination of strategy for over 300 tenants under pressure, and ultimately sale of secured debt positions. Joe remains as Receiver and Manager to maintain the long-term stability of the structure, and

in the last two years has significantly re-mixed the Centre for the current secured creditors.

Banksia Securities Limited: Receiver and Manager of Banksia Securities, a debenture fund with more than \$600 million of investments, and 16,000 retail investors. A major collapse in the context of regional Victoria, the Receivers liaised closely with government, developed communication strategies, took over a large asset management business, maintained intra-group structures, and arranged for the sale or recovery of over 1,000 loans in several portfolios, and ultimately repaid investors (80 cents in the dollar to date). The Receivers facilitated the making of complex claims against a range of parties including directors and officers, auditors and others, including the mediation and settlement of those claims.

Dick Smith Electronics: Voluntary Administrator and Liquidator of Dick Smith Group, a national electronics retailer. The company had incurred significant losses leading up to appointment. The Administrators were required to investigate and report on the collapse of this high-profile group and report to creditors. The liquidators are now managing the complex defence of major Class Action claims whilst also prosecuting other claims.

Other engagement experience

McAleese Transport: Voluntary Administrator of a large publicly listed national road haulage business, which was traded through Administration and restructured via a DOCA involving new ownership.

Allco Finance: Voluntary Administrator and Liquidator of a significant global financial services business, involving restructuring to permit the sale of assets, settling of significant claims, running the class action defence and ultimate mediation and settlement of complex proceedings.

Lift Capital: Voluntary Administrator and liquidator of a significant margin lending business, involving the determination and closure of complex financial positions, making and settlement of claims and repayment of over \$700 million of securities to investors.

Airport Link Company: Receiver and Manager of a 30-year concession to operate the Airport Link train from Sydney city to the airport, including running the business, making and settling significant claims and renegotiating and selling the concession.

Henry Walker Eltin: Voluntary Administrator of a publicly listed mining services company operating internationally, with more than 5,000 employees

and major mining contracts, which was ultimately sold with all creditors being paid in full.

Cross City Motorway: Voluntary Administrator of a Sydney Toll Road, including DOCA restructuring to enable a sale transaction.

Financial Services: Receiver and Manager or Administrator of numerous other debenture funds, hedge funds, and note issuers including Grenfell Securities, Momentum Mortgages, Hastings Capital, Mariner Treasury, Provident Capital, LM Investments, Australian Capital Reserve, and Absolute Capital.

Property: Receiver of many entities involving the marketing and sale of commercial, industrial and retail property and development sites.

Other listed companies: Receiver or Administrator of listed companies including Hastie Services, Reynolds Wines, Commander Communications and Gympie Gold.

Not for profit: numerous appointments and reviews over not for profit entities, religious organisations, and licensed clubs.

Reviews: numerous confidential independent business reviews for secured lenders, assessing the financial position of borrowers and determining strategies to restructure or reduce debt.