

30 November 2022

## DASS Deed of Company Arrangement Proposal

ASX Announcement

E&P Financial Group Limited (**E&P** or **the Company**) announces that it has proposed a Deed of Company Arrangement (**DOCA**) in respect of Dixon Advisory & Superannuation Services Pty Ltd (Administrators Appointed) (**DASS**). The proposed DOCA is to be considered at the second meeting of DASS creditors to be held on 7 December 2022 and will be executed if the creditors so resolve. The Voluntary Administrators of DASS have informed the Company that they will be recommending creditors vote in favour of the proposed DOCA.

The DOCA provides for, amongst other things:

- The Voluntary Administrators to be appointed as administrators of the DOCA (**Deed Administrators**).
- The following payments to be made by the Company as the proponent of the DOCA to the Deed Administrators, with the amounts to be paid into a Deed Fund under the control of the Deed Administrators and applied (after the payment of the Deed Administrators' remuneration, employee priority claims and a retention of \$100,000 for the future liquidation of DASS) for the benefit of DASS creditors with the exception of various related party creditors:
  - \$14.8m within 5 business days of creditors voting in favour of the DOCA;
  - a \$1.0m Deposit in the same timeframe, to be used only for costs incurred by the Deed Administrators in defending any applications that the DOCA be terminated or challenging the DOCA;
  - any tax receivables owed to DASS as part of the Company's group tax sharing arrangements in regard to the FY22 and FY23 tax years, payable by 31 January 2023 and 31 January 2024 respectively; and
  - \$4.0m inclusive of any unused Deposit, with such payment being conditional upon settlement of the representative proceedings against the Company, DASS and certain former directors by 30 June 2023 and conditional upon the number of group members in each of the representative proceedings exercising a right to opt out, being less than 1%.
- Express retention of the right of client creditors of DASS to claim under any financial compensation scheme of last resort that may be established under the Financial Sector Reform Bill 2022 (Cth) (if enacted).
- Certain mutual releases by DASS and the Company and its other controlled entities.

Subject to creditors of DASS voting that DASS execute the proposed DOCA, E&P expects the net impact on its 1H23 statutory result to be a loss of approximately \$1.1m as the quantum was already substantially recognised in the Company's balance sheet as at 30 June 2022 released to ASX on 24 August 2022.

Whilst the Company disagrees with the Voluntary Administrators with respect to the interpretation of the Deed of Acknowledgement of Debt entered into between DASS and group subsidiary E&P Operations Pty Ltd, we note that the proposed DOCA ultimately provides for a total contribution of \$2 million in excess of the net intercompany debt position (i.e. the net intercompany debt will be paid in full) should the DOCA complete.

Peter Anderson, Managing Director & CEO of E&P, said "The DOCA proposal is an important step towards closing out the Voluntary Administration of DASS. All former DASS clients have been transitioned to the service provider of their choice and the proposal ensures the equitable treatment of all DASS client creditors. It also provides a mechanism to accommodate the settlement of the outstanding representative proceedings in due course. Consistent with the commitment made at the time of appointment of Voluntary Administrators to DASS, the payments contemplated within the DOCA proposal include a sum equivalent to the \$8.2 million ASIC penalty and associated costs."

This announcement has been authorised for release by the Board of E&P Financial Group Limited.

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**Investors:**

Peter Anderson

+ 61 3 9631 9846

[peter.anderson@eap.com.au](mailto:peter.anderson@eap.com.au)

**Media Enquiries:**

James Strong, Citadel Magnus

+ 61 448 881 174

[jstrong@citadelmagnus.com](mailto:jstrong@citadelmagnus.com)

**About E&P Financial Group Limited**

E&P Financial Group is an Australian Securities Exchange listed financial services group. In E&P Wealth we service approximately 8,000 clients, representing \$21.1 billion in funds under advice. In E&P Capital we are an advisor to many leading Australian institutions through the provision of research, institutional sales and trading, corporate advisory, equity capital market and debt capital market services. In E&P Funds, we manage \$6.2 billion of assets across a diverse range of asset classes.