

SAFE HARBOUR MINUTES AND CHECKLIST

SAFE HARBOUR AGENDA FOR DIRECTOR'S MEETING (MINUTES)

YES / NO Have you been properly informed about the financial position of the company?

YES / NO Are the employee entitlements being paid?

YES / NO Are all ATO requirements up to date and compliant?

YES / NO Have you taken the appropriate steps to prevent any misconduct by company officers and employees that could adversely affect the company's ability to pay all its debts?

YES / NO Is the company keeping appropriate financial records?

YES / NO Is the Turnaround Plan ready to go?

YES / NO Will the Turnaround Plan will lead to a better outcome for the company?

ONGOING AGENDAS AND MINUTES

Has the company deteriorated or improved, and how this might impact the availability of the safe harbour?

What further advice needs to be obtained from an appropriately qualified entity?

Is the Restructuring Plan on track or does it need refinement?

What adjustments to the turnaround plan are required to ensure that the desired outcome will be achieved?

What are the adequacy of financial records, and how might they be improved?

All things considered, would it be better for the company to immediately appoint an administrator or liquidator?

SAFE HARBOUR CHECKLIST

- Check that any outstanding employee entitlements are paid, and ensure that the company will be able to continue to pay employee entitlements by the time they fall due.
- Check that the company is meeting all its tax reporting obligations, and ensure that systems are put in place to enable the company to continue meeting these obligations.
- Check that there are no outstanding issues relating to misconduct of employees and officers which need to be resolved. Directors should focus on ensuring employees are complying with company policies and misconduct should be identified and dealt with appropriately.
- Check existing insurance and indemnity policies, including Directors and Officers insurance, is up-to-date and adequate.
- Before incurring any further company debt, consider making an initial assessment regarding whether it will lead to a better outcome for the company to immediately appoint an administrator or liquidator.
- Directors should make arrangements to ensure that agenda, minutes and all relevant documents (eg written turnaround plan) are recorded carefully and archived.