

FREQUENTLY ASKED QUESTIONS

**REWARDS GROUP LIMITED ACN 087 702 547
AND SUBSIDIARIES AS SET OUT IN THE SCHEDULE
(All Administrators Appointed)
(Collectively referred to as “the Group”)**

INTRODUCTION

Due to the anticipated high number of enquiries, we have provided below some Frequently Asked Questions (“FAQ”) to assist you with certain queries that you may have regarding the Administration process.

These FAQs will be updated on a regular basis and we encourage you to refer to the Ferrier Hodgson website at www.ferrierhodgson.com for further information in relation to the Administration.

This FAQ should be read in conjunction with either the:

1. Circular to Creditors dated 18 May 2010; and/or
2. Circular to Investors dated 18 May 2010; and/or
3. Circular to Employees dated 18 May 2010.

Notwithstanding the information contained in this report, we suggest that you seek independent advice on your particular individual circumstances.

This FAQ sheet provides information for a number of different stakeholders and is therefore set out under the following main headings:

- Background
- Key Information on First Meetings of Creditors
- Questions Relating to Ordinary Shareholders
- Questions Relating to Investors/Growers
- Questions Relating to Investment Advisors
- More Information

BACKGROUND

About Ferrier Hodgson

Established in 1976, Ferrier Hodgson is South East Asia’s largest specialised corporate recovery and restructure firm. The Ferrier Hodgson Group has over 40 partners and 450 staff and offices in all major Australian capital cities, Hong Kong, Singapore, Malaysia, Indonesia, Philippines, India, China and Japan

In addition, our affiliation with Kroll and Zolfo Cooper, leading independent specialists in corporate recovery, restructuring and turnaround in the US, UK and Europe, ensures Ferrier Hodgson can be on the ground seamlessly and quickly in all major international markets to combine global expertise with strong local knowledge.

What is Ferrier Hodgson's role in the Group?

Pursuant to Section 436A of the Corporations Act 2001 ("the Act") on 16 May 2010, Ferrier Hodgson partners Martin Jones, Andrew Saker and Darren Weaver have been appointed Joint and Several Administrators of the Group.

What is the Voluntary Administration process?

The Voluntary Administration begins when an Administrator, who must be an independent and suitably qualified person (a registered liquidator), is appointed and takes full control of the company, subject to the appointment of Receivers & Managers (if any), to consider options on how to save either the company or its business.

If it isn't possible to save the company or its business, the aim is to administer the affairs of the company in a way that results in a better return to creditors than they would have received if the company had instead been placed straight into liquidation.

As a result of the appointment, a moratorium (with certain exceptions) is imposed upon creditors of the company, and on those persons who own property which the company is using, in order to provide the company with "breathing space" while the company's future is resolved.

Effect of the VA process

1. On Directors

The Act provides that effective from the acceptance of the appointment as Administrators, the powers of directors of the company are suspended and they may not perform any function as a director of the company without the Administrators' written approval and only the Administrators may deal with the company's property.

Accordingly the Administrators replace the Board of Directors and completely control the affairs of the company. In this regard, the Administrators will liaise with the Directors on matters such as the delegation of authority to the Directors to continue the business, reporting on trading and other control issues.

2. On Creditors

The appointment of the Administrators substantially affects creditors' rights against the company as follows:

- (a) A creditor with a charge over the whole or substantially the whole of the company's property must enforce the charge within 13 business days of the appointment or be prevented from enforcing the charge during the remainder of the administration. Enforcement of a charge by a secured creditor usually practically commences with the appointment of a Receiver and Manager. If a Receiver and Manager is appointed, the Receiver and Manager generally takes control of the company's assets and business operations.
- (b) Claims of unsecured creditors and chargees with a charge over part of the property of the company are stayed for the duration of the moratorium period;

- (c) The enforcement of guarantees given by directors or relatives of directors to creditors of the company are stayed during the administration; and
- (d) The Administrators have the power to retain and use property owned by third parties such as lessors that will be used by the company during the administration in the ordinary course of business provided the Administrators pay for the use of those goods such as leased assets, leased premises and the like.

The moratorium of creditors is provided under the Act in order that the Administrators and the directors may formulate a proposal for the company's future in an environment where the business may be continued.

Timing in the Administration

Following appointment, the Administrators must hold a meeting of creditors within 8 business days. Notice of the creditors' meetings must be provided to creditors at least 5 business days prior to the meeting. The first creditors' meeting is held to provide information to creditors and specifically to resolve whether:

- (a) The Administrators appointed should be replaced; and
- (b) A Committee of Creditors should be formed.

The second creditors' meeting must be held within 25 business days of appointment. Notice of the second creditors' meeting must be provided at least 5 business days prior to the meeting. The purpose of this meeting is to consider the contents of the Administrators' report which details any proposed Deed of Company Arrangements ("DOCA") and preliminary analysis of investigations into the affairs of the company. The fate of the company is decided at the second creditors' meeting, and the creditors will be presented with the following options, namely, whether to:

- (a) Accept a proposed DOCA;
- (b) Place the company in Voluntary Liquidation;
- (c) Return control of the company to its directors; or
- (d) The meeting may be adjourned for a period not to exceed 45 business days.

A DOCA is a restructuring plan which binds the company, its creditors and shareholders.

What are the next steps?

The Administrators have begun an urgent assessment of the Group affairs and will attend to the following immediate issues:

1. Communicate the appointment to all creditors, key stakeholders and regulatory authorities;
2. Undertake a complete review of the financial affairs of the Group;
3. Develop a plan to maximise the recoverable value for creditors and investors; and
4. Report to creditors and investors on our conclusions.

INFORMATION ON FIRST MEETING OF CREDITORS

First creditors meeting - key points to note:

Creditors rights to vote:

1. In order to vote, a creditor must lodge details of their debt with the Administrator by the required lodgement time using an Informal Proof of Debt Form with supporting documentation relating to the debt.
2. Based on a valid claim, the Administrator/Chairperson will admit the creditor to vote at the creditors meeting
3. This decision is only for voting purposes and not whether the creditor will receive a dividend, if relevant;
4. An appeal against a decision by the chairperson to accept or reject a proof of debt or claim for voting purposes, must be made to a court within 14 days after the decision is made.
5. You may appoint a proxy to attend and vote on your behalf. A completed proxy form must be properly completed and provided to the Administrator before the meeting. You may appoint the Chairperson to represent you.

Observers rights:

1. An Observer may be admitted to attend the meeting.
2. An Observer, who is not a creditor with a proof of debt, will not have any entitlement to vote.

What is the purpose of the first meeting of creditors?

The purpose of the first meeting of creditors is to:

- Consider the appointment of the Joint and Several Administrators; and
- Determine whether to appoint a committee of creditors and if so, who are to be the members of the committee.

A copy of the relevant meeting documents can be obtained from the Ferrier Hodgson website at www.ferrierhodgson.com. These documents include:

1. Informal proof of debt or claim form;
2. Proxy form;
3. Circular to creditors;
4. Declaration of independence, relevant relationships and indemnities; and
5. ASIC information sheet

What is an Informal Proof of Debt or Claim form?

An informal proof of debt or claim is a prescribed form to be completed by creditors (including contingent creditors) at the Administrators' request, setting out the details of their claim against the company together with supporting documentation where appropriate.

Onus of proof

The burden of proof lies with the creditors or contingent creditors. If investors, creditors or contingent creditors have any queries in relation to their claim or their rights generally, we recommend that they seek independent advice.

What are proxies?

"Proxies" are instruments giving another person the right to exercise the voting powers of the grantor of the proxy, at a particular meeting and perhaps the adjournment thereof.

Corporations have the power to appoint an individual to act as their proxy representative at meetings of the company of whom they are a creditor or debenture holder. A proxy must be a natural person (not a corporation) and must be over the age of 18 years.

Do I have to lodge an Informal Proof of Debt form and Proxy Form?

In order to attend and vote at a meeting of creditors, all creditors (including investors) are required to complete an Informal Proof of Debt form.

If creditors wish to appoint a proxy to attend and vote on their behalf, they should complete both an Informal Proof of Debt form and a Proxy Form.

If you do not lodge the Informal Proof of Debt form by 4.00pm on the day prior to the meeting, you may be excluded from voting at the meeting.

If you are not attending the meeting, either in person or by proxy, you do not have to lodge the informal proof of debt form by 4.00pm on the day prior to the meeting, however, you may still wish to complete it and lodge it with us so we have it for future reference.

Where do I lodge the forms?

Both forms should be lodged with this office before the meeting and, in any event, no later than **4.00pm on the day prior to the meeting**. Forms can be sent by facsimile on (08) 9214 1400 or scanned and emailed to rewardsgroup@perth.fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy form with the Administrators' office at Ferrier Hodgson, Level 26 108 St Georges Terrace, Perth, WA 6000 within 72 hours of lodging the faxed copy.

Where can I get a copy of the forms?

Informal proof of debt and proxy forms can be downloaded from the Ferrier Hodgson website at www.ferrierhodgson.com.

Alternatively, creditors can obtain a copy if a request is made:

- by email to rewardsgroup@perth.fh.com.au; or
 - by speaking to a member of Ferrier Hodgson staff on (08) 9214 1444.
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QUESTIONS RELATING TO ORDINARY SHAREHOLDERS

Are shareholders able to attend the creditors' meetings?

Generally, no. Ordinary shareholders are not creditors and cannot attend the creditors' meetings, however they are invited to attend as an observer.

Are shareholders able to transfer their shares?

A transfer of shares in a company or alteration of status of shareholders during a voluntary administration will not be effective unless the voluntary administrator gives their written consent or the court permits.

QUESTIONS RELATING TO INVESTORS/ GROWERS

What is the Group's role in relation to the managed investment schemes?

Rewards Projects Limited, a wholly owned subsidiary of Rewards Group Limited, is the responsible entity of a number of registered managed investment schemes ("MIS") and in that role have responsibility for the operation and administration of the schemes. Rewards Management Pty Ltd, another wholly owned subsidiary of Rewards Group Limited, is the manager of the MIS projects and responsible for establishing, managing, harvesting and selling the product from the projects.

Each scheme is governed by its own constitution or trust deed, and if a registered scheme, is also governed by Chapter 5C of the Act. On 16 May 2010, the board of directors of the Group appointed Martin Jones, Andrew Saker and Darren Weaver of Ferrier Hodgson as Joint and Several Administrators. Rewards Projects Limited will continue to be the responsible entity for its registered managed investment schemes until it is replaced in accordance with the Act.

Should I continue to make payments relating to my project and/or my loan?

Yes. Grower investors are required to continue to make payments to both their loans and their project costs. Should any grower investors have any queries in relation to their rights and obligations, we recommend that they seek independent advice.

Am I required to continue to meet my loan repayments if the Group is in voluntary administration?

You are required to meet your obligations as set out in your loan agreements. Failure to make scheduled principal and/or interest payments may result in a default under the loan agreement. If you have any queries in relation to your loan agreements or your rights generally, we recommend that you seek independent advice.

What measures are currently being undertaken to protect the interests of growers in respect of the ongoing management and maintenance of the managed investment schemes?

1. A review of each project will be undertaken by the Administrators
2. A determination will be made as to the viability of each scheme and the ongoing funding requirements (which will be communicated to growers); and
3. The Administrators will investigate the avenues to provide funding.

Are grower's creditors? If so are they secured or unsecured creditors?

An investor in a Group managed investment scheme ("MIS") is not automatically a creditor. The Administrators' obligations to creditors and shareholders prevent the Administrators from admitting claims by investors of a Group MIS project without objective evidence that the investor is in fact a creditor.

In order to be recognised as a creditor of a Group company an investor must provide adequate particulars of his/her claim as a creditor to the Administrators and have that claim accepted by the Administrators. The onus is on individual investors to identify and provide full particulars of alleged claims.

Under the Group MIS investors are owed certain obligations and in certain circumstances the investor may be entitled to claim as an unsecured creditor of the Group. However, as the claims are likely to be of an indeterminate nature, the claim will be known as a contingent claim.

Will growers be able to vote at meetings of creditors?

An investor will not be entitled to vote at meetings of creditors of relevant Group companies unless, before the meeting of creditors, the investor provides particulars of:

1. The MIS project of which he/she is an investor and the amount of his/her investment in that MIS project;
2. The name of the Group company which the claim is against, which is likely to be Rewards Projects Limited as the responsible entity of the Group MIS Schemes;
3. The legal basis for the claim;
4. Adequate details and support for the conduct of the Group company which gave rise to the investor claim;
5. How the damages/loss claimed is calculated; and
6. The date on which the damages/loss claimed arose.

Further, should your claim be accepted by the Administrators as a contingent claim in the Administration of the Group, it is likely that we will allow you to participate and vote at the meetings of creditors, however as the claim will be difficult, if not impossible, to value at the present time, it is likely that we will admit your claim and allow it to vote for a nominal amount of one dollar (\$1.00).

Why am I only being admitted to vote for \$1.00. Is this how much my investment is worth?

If your claim is of a contingent nature, you may be admitted to vote for a value of \$1.00, regardless of the value claimed on your proof of debt.

As a contingent creditor, your status as a creditor of the Group has not yet been confirmed and may be subject to the outcome of a number of future events. In these circumstances, the Administrators may admit your claim and enable you to vote for a nominal value of \$1.00 to recognize your potential interest as a creditor of any of the Group companies.

The admitted value of your claim is for voting purposes only and is not necessarily reflective of the value of your investment in the MIS.

Will meetings of Grower Investors be held for each scheme?

Meetings of grower investors will be considered in light of our review of each project. Grower investors will be provided with notice of any such specific meetings to enable them to attend.

What is the current status of insurance for the projects?

We are undertaking a review of the insurance policies to ensure that appropriate cover is in place.

Are Growers still required to make payment for insurance premiums?

Yes. Growers are still required to meet the cost of their insurance premiums to maintain the validity of their respective insurance policies. Should any grower investors have any queries in relation to their rights and obligations, we recommend that they seek independent advice.

If a claim is made under a project insurance policy, will these be held in Trust and protected for the benefit of the investors, or will they be used to settle the debts of the Responsible Entities?

Amounts paid under a project insurance policy will be applied in the first instance against any arrears owing from those investors affected by the claim for unpaid insurance premiums. Any future insurance receipts relating specifically to investors will be held in trust pending legal advice that this should be distributed to the investors.

What are the tax implications associated with the appointment of Voluntary Administrators?

We recommend that investors should seek independent taxation advice.

QUESTIONS RELATING TO INVESTMENT ADVISORS

How can I obtain details regarding my clients' investment in the Group MIS?

To receive information regarding your client, please contact the Responsible Entity on:

Telephone: (08) 9324 1155
Email: mail@rewardsgroup.com.au

You will be required to provide written authority from your client before details of their investment will be provided to you.

MORE INFORMATION

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com.

You may also wish to consider the IPAA's website www.ipaa.com.au, which contains the IPAA's Statements of Best Practice, applicable to IPA members and/or the website www.asic.gov.au for information sheets on the following topics:

- Insolvency: a glossary of terms
- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Insolvency: a guide for shareholders
- Insolvency: a guide for directors
- Independence of external administrators: a guide for creditors
- Approving fees: a guide for creditors.

Investors, creditors and any other stakeholders are encouraged to contact the offices of Ferrier Hodgson on (08) 9214 1444 or via email to rewardsgroup@perth.fh.com.au if there are any specific queries that are not addressed above.

THE SCHEDULE

Company Name	ACN
Rewards Projects Limited	089 582 427
Rewards Land Pty Ltd	089 948 824
Rewards Management Pty Ltd	089 940 376
Ord Packers Pty Ltd	106 363 964
Berry Packers Pty Ltd	125 068 911
Rural Labour Pty Ltd	130 732 786
Greentree Capital Pty Ltd (Formerly "QPR Capital Finance Pty Ltd")	093 209 173