



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Excedo Contracting Pty Ltd (Administrators Appointed)
ACN 137 633 366
(ECL)

The *Corporations Act* and professional standards require the Practitioners appointed to an insolvent entity to make a declaration as to:

- A. their independence generally;
- B. relationships, including:
 - a) the circumstances of the appointment;
 - b) any relationships with the company and others within the previous 24 months;
 - c) any prior professional services for the company within the previous 24 months;
 - d) that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioners.

This declaration is made in respect of ourselves, our partners, the firm McGrathNicol, which for the purpose of this declaration includes the McGrathNicol Partnership, the McGrathNicol Advisory Partnership and McGrathNicol Services Pty Ltd.

A. Independence

We, Rob Brauer and Rob Kirman, of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as administrators of ECL in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

(i) *Circumstances of appointment*

On 14 February 2018, Mr Jason Salman of Corrs Chambers Westgarth (**CCW**) called Rob Brauer of McGrathNicol to facilitate an introduction to one of ECL's directors, Mr Paul Burton, a personal acquaintance of Mr Salman.

From time to time CCW refers insolvency matters to McGrathNicol and have acted as legal advisers on a small number of our insolvency appointments.

We believe that this introduction does not result in a conflict of interest or duty because:

- the introduction was unconditional;
- CCL does not have a formal relationship with ECL nor act on its behalf;
- we have not undertaken any prior engagement for CCW in relation to ECL; and
- introductions or referrals from legal advisors to specialist advisors are common business practice.



On 15 February 2018, Mr Brauer and a senior McGrathNicol employee met with Mr Burton and the second and remaining director of ECL, Mr Shane Corbett, to discuss (i) background information about the business' operations and financial position, and (ii) a high level explanation of the various turnaround options and insolvency options available to the directors and ECL.

Mr Brauer and Mr Corbett met again on 26 February 2018 at ECL's premises to further discuss the financial position of the company. At this meeting it became apparent that the financial difficulties facing ECL were significant, following which the practicalities and implications of ECL potentially entering voluntary administration were discussed.

Mr Brauer held subsequent telephone discussions with Mr Corbett and Mr Burton on 27 and 28 February 2018 to further discuss the voluntary administration process, mechanics to initiate and planning to stabilise the business should an appointment occur. These phone conversations culminated in a meeting between the directors, Mr Brauer, Mr Rob Kirman and a senior McGrathNicol employee on 28 February 2018. At the conclusion of this meeting, the directors resolved to appoint Mr Brauer and Mr Kirman as voluntary administrators.

We received no remuneration for attending any of these meetings or for providing advice about turnaround or insolvency options.

In our opinion, these meetings and discussions, do not affect our independence for the following reasons:

- the discussions were of limited scope, being confined to:
 - understanding the financial position of ECL and how this evolved;
 - explaining the insolvency options available to ECL; and
 - planning for an appointment to ensure stability should an appointment occur.
- It is recognised by the Courts and the ARITA Code of Professional Practice that pre-appointment advice on the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment. The nature of the advice provided during these discussions was such that it would not be subject to review and challenge during the course of the administration. Nor would the advice influence our ability to fully comply with the statutory and fiduciary obligations.

We have provided no other information or advice to ECL and the directors prior to our appointment beyond that outlined in this DIRRI.

(ii) *Relevant Relationships (excluding professional services to the Insolvent)*

Neither we, nor our firm, have, or have had, within the preceding 24 months, any relationships with ECL, an associate of ECL or a former insolvency practitioner appointed to ECL.

(iii) *Prior professional services to the Insolvent*

Neither we, nor our firm, have provided any professional services to ECL, in the previous 24 months.

(iv) *No other relevant relationships to disclose*

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with ECL, an associate of ECL, a former insolvency practitioner appointed to ECL or any person or entity that has security over the whole or substantially the whole of ECL's property that should be disclosed.



C. Indemnities and Up-front Payments

We have not been indemnified in relation to this external administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 2 March 2018

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Rob Brauer

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Rob Kirman

Note:

- 1 If the circumstances change or new information is identified, we are required under the *Corporations Act 2001* and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication, as well as table a copy of any replacement Declaration at the next meeting of the insolvent's creditors.
- 2 Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.