



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Version two

Forum Group Pty Ltd (Administrators Appointed) (Receivers Appointed) (FG) ACN 153 336 997 and Associated Entities set out in Appendix A (collectively the Forum Group)

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Forum Group and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

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.

We are Professional Members of the Australian Restructuring Insolvency Turnaround Association (**ARITA**). We acknowledge that we are bound by the ARITA Code of Professional Practice.

A. Independence

We have assessed our independence and we are not aware of any reasons that would have prevented us from accepting these appointments.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

B. Circumstances of Appointment

The ~~proposed~~ appointment of Jason Preston, Jason Ireland and Katherine Sozou as replacement Voluntary Administrators of the Forum Group follows earlier appointments over related entities, detailed here.

B1. Forum Finance Pty Ltd (In Liquidation) (Receivers Appointed)

The matter of Forum Finance Pty Ltd (In Liquidation) (Receivers Appointed) (**Forum Finance**) was referred to us by MinterEllison, who have been engaged to provide legal services to Westpac Banking Corporation (**WBC**). WBC is one of several financiers who has extended finance in relation to certain leases arranged, administered or serviced by Forum Finance, Forum Group Pty Ltd (**FG**) and/or associated entities.

On 29 June 2021 Mr Preston and Mr Ireland provided a consent to act as either provisional liquidators or liquidators at the request of WBC in the context of the winding application WBC had made against Forum Finance.

Mr Preston and Mr Ireland had limited interaction with WBC and MinterEllison during the period from their initial discussion on 25 June 2021 and their appointment as Liquidators of Forum Finance on 9 July 2021. This limited interaction was focused on providing Mr Preston and Mr Ireland with a briefing on the background facts. McGrathNicol were not engaged by WBC or MinterEllison in relation to Forum Finance or the broader Forum group.



On Friday, 9 July 2021 Mr Preston and Mr Ireland were appointed Liquidators of Forum Finance by order of the Federal Court. Forum Finance is a wholly owned subsidiary (and therefore an associate) of The Forum Group of Companies Pty Ltd (Administrators Appointed) (**Forum Group of Companies**), an entity included in the Forum Group. As part of WBC's winding up application to the Federal Court, it has agreed, subject to Court approval, to provide an indemnity capped at \$250,000 in favour of the liquidators.

Antony Resnick and Mark Julian Robinson of DVT Group were subsequently appointed Receivers of Forum Finance by secured creditor Octet Finance Pty Ltd, on 12 July 2021. The Receivers are also appointed over FG, an entity included in the Forum Group.

On 8 July 2021, Domenico Alessandro Calabretta, Grahame Robert Ward and Thyge Trafford-Jones of Mackay Goodwin were appointed Voluntary Administrators by resolution of the company directors of all entities of the Forum Group, as well as Forum Group Financial Services Pty Ltd (**FGFS**), Forum Enviro Pty Ltd (**Enviro**) and Forum Enviro (Aust) Pty Ltd (**Enviro Aust**) (all now in Provisional Liquidation), discussed further below.

Since the date of the liquidators' appointment, Mr Ireland and others within the liquidators' team:

- Met with MinterEllison to receive a more fulsome briefing as to Westpac's position and its dealings with Forum Finance;
- Met with key employees of FG who provide support to Forum Finance, with Forum Finance having no employees of its own, in order to gain an understanding of the operations and business performed by Forum Finance and its interactions with FG and other associated entities;
- Spoke separately to both directors of Forum Finance, Basile Papadimitriou and Vincenzo Tesoriero, who are also directors and/or ultimate beneficial shareholders of many of the other entities within the broader Forum group. The purpose of these discussions was to confirm the directors' statutory requirements following our appointment and to receive their explanations regarding the circumstances leading to the liquidation of Forum Finance; and
- Analysed the key bank account transactions between Forum Finance and other entities within the Forum Group and other associated entities.

It became apparent during the course of this work that a full investigation regarding the alleged fraudulent activity would necessarily include other entities within the Forum Group.

B2. Forum Group Financial Services Pty Ltd, Forum Enviro Pty Ltd and Forum Enviro (Aust) Pty Ltd (all in Provisional Liquidation)

On Monday, 12 July 2021 WBC filed an interlocutory application, seeking to have Mr Preston, Mr Ireland and Ms Sozou appointed as either provisional liquidators or liquidators, of additional entities within the Forum Group, which had been identified as relevant to the investigation into alleged fraudulent activity. As part of this application, Sumitomo Mitsui Banking Corporation and Societe Generale, other lease financiers, confirmed their support for these additional appointments.

At a hearing on Thursday, 15 July 2021 Mr Preston and Mr Ireland were appointed Provisional Liquidators of FGFS, Enviro and Enviro Aust (all in Provisional Liquidation) by order of the Federal Court, with the Judge noting the benefits of common practitioners acting across the entities relevant to the investigation.

Enviro and Enviro Aust are both wholly owned subsidiaries of The Forum Group of Companies and therefore associates. FGFS is a standalone entity, whose shares are held equally between Mr Papadimitriou and Mr Tesoriero.



Since the date of the provisional liquidators' appointment, Mr Ireland and others within the provisional liquidators' team have performed additional analysis of key bank account transactions, expanding the work to include transactions between FGFS, Enviro, Enviro Aust and other entities within the Forum Group.

B3 Appointment over the Forum Group

How we were referred this appointment

~~We have been advised that WBC intend, a~~At the first meeting of creditors of the Forum Group (convened for Tuesday, 20 July 2021 and adjourned to Wednesday, 21 July 2021 and then to Thursday, 22 July 2021), ~~WBC to~~ propose d a-resolutions to remove the incumbent voluntary administrators and have them replaced by Mr Preston, Mr Ireland and Ms Sozou.

On Wednesday, 21 July 2021 creditors resolved to appoint Mr Preston, Mr Ireland and Ms Sozou as Joint and Several Voluntary Administrators of company 1 and companies 3 to 25 as listed in Annexure A. On Thursday, 22 July 2021, creditors resolved to appoint Mr Preston, Mr Ireland and Ms Sozou as Joint and Several Voluntary Administrators of company 2 as listed in Annexure A.

We believe that neither the original referral from MinterEllison, nor the subsequent appointments at the request of WBC, result in a conflict of interest or duty. There is no expectation, agreement or understanding between us, MinterEllison and/or WBC regarding the conduct of the Administration. We are free to act independently and in accordance with the law and applicable professional standards.

McGrathNicol undertakes restructuring and advisory work from time to time on instructions from WBC.

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

- Each professional engagement undertaken for WBC in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment;
- These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and
- McGrathNicol has not undertaken an engagement for WBC in respect of the Forum Group.

Given these factors, our independence in acting as voluntary administrator of the Forum Group has not been affected.

Did we meet with the Forum Group, the directors or their advisors before we were appointed?

As stated above, Mr Ireland spoke to both Mr Papadimitriou and Mr Tesoriero, who are directors and/or ultimate beneficial shareholders of many of the Forum Group entities, in his capacity as liquidator of Forum Finance.

C. Declaration of Relationships

Within the previous two years, have we, or our firm, had a relationship with:	
The Forum Group	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



Within the previous two years, have we, or our firm, had a relationship with:	
The directors?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>As stated above, Mr Ireland spoke to Mr Papadimitriou, and Mr Ireland and Ms Sozou spoke to Mr Tesoriero, with each of these conversations lasting less than one hour.</p> <p>These short discussions were largely limited to the companies where Mr Ireland and Mr Preston act as liquidator and/or now provisional liquidator and did not relate to the companies which it is proposed we will act as <u>we have now been appointed as</u> replacement voluntary administrators, other than to briefly discuss some intercompany dealings.</p> <p>This very limited interaction would <u>will</u> not impair our ability to fully comply with the statutory and fiduciary obligations associated with the prospective-voluntary administration of the companies in an objective and impartial manner.</p>
Any associates of The Forum Group?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <p>As specified in section B of this Declaration, we have already been appointed as liquidator of one entity in the Forum group and provisional liquidator of three entities associated with the Forum Group.</p> <p>On Friday, 9 July 2021 Mr Preston and Mr Ireland were appointed Liquidators of Forum Finance by order of the Federal Court. Forum Finance is a wholly owned subsidiary of The Forum Group of Companies, an entity included in the Forum Group.</p> <p>On Thursday, 15 July 2021 Mr Preston and Mr Ireland were appointed provisional liquidators of FGFS, Enviro and Enviro Aust by order of the Federal Court of Australia. Enviro and Enviro Aust are both wholly owned subsidiaries of The Forum Group of Companies. FGFS is a stand alone entity, whose shares are held equally between Mr Papadimitriou and Mr Tesoriero.</p> <p>As provisional liquidators of FGFS, Enviro and Enviro Aust, as at the date of this declaration, we are not creditors of any of those entities for a sum in excess of \$5,000.</p> <p>We are of the view that the proposed-replacement voluntary administration appointments will have significant benefits to creditors, including cost-savings and efficiencies when building an accurate view of the dealings, linkages, activities and cash flow between the entities as well as a group as a whole.</p> <p>We are aware that there have been transfers of monies between entities within the group, but at this time are not aware of any potential conflicts of interest arising from the appointments over the various group members. However, to the extent it becomes apparent that pre-appointment dealings between companies in the group may give rise to a conflict which may impact the outcome for creditors of a particular company, then we undertake to disclose any such conflicts to the creditors and, as appropriate, seek Court directions regarding how to resolve the potential conflict.</p>
A former insolvency practitioner appointed to the Forum Group?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



Within the previous two years, have we, or our firm, had a relationship with:

A secured creditor entitled to enforce a security over the whole or substantially the whole of The Forum Group's property?

Yes No

National Australia Bank (NAB) holds a charge on the whole or substantially the whole of the property of certain entities within the Forum Group.

McGrathNicol undertakes restructuring and advisory work from time to time on instructions from NAB.

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

- Each professional engagement undertaken for NAB in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment.
- These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.
- McGrathNicol has not undertaken an engagement for NAB in respect of the Forum Group. Given these factors, our independence in acting as voluntary administrator of the Forum Group has not been affected.

Do we have any other relationships that we consider are relevant to creditors assessing our independence?

Yes No

D. Indemnities and up-front payments

We have not received any up-front payments or indemnities for these appointments. This does not include any indemnities I may be entitled to under the law.

Dated: ~~21 July 2021~~ 22 July 2021

Jason Preston

Jason Craig Ireland

Katherine Sozou



Note:

1. The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.
2. 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. For Creditors' Voluntary Liquidations and Voluntary Administrations, this document and any updated versions of this document are required to be lodged with ASIC.
3. Please note that the presentation of the above information is in accordance with the standard format suggested by ARITA.



Annexure A

Forum Group and related entities

No.	Company name	ACN
1	The Forum Group of Companies Pty Limited (Administrators Appointed)	151 964 626
2	Forum Group Pty Ltd (Receivers Appointed) (Administrators Appointed)	153 336 997
3	Forum Group (QLD) Pty Ltd (Administrators Appointed)	103 609 678
4	Forum Group (VIC) Pty Ltd (Administrators Appointed)	153 062 018
5	Forum Fleet Pty Limited (Administrators Appointed)	155 440 994
6	Forum Direct Pty Ltd (Administrators Appointed)	054 890 710
7	Iugis Pty Ltd (Administrators Appointed)	632 882 243
8	Iugis Investments Pty Ltd (Administrators Appointed)	647 627 745
9	Iugis Waste Services Pty Ltd (Administrators Appointed)	647 212 299
10	Imagetec Financial Services Pty Ltd (Administrators Appointed)	111 978 182
11	Imagetec Solutions Australia Pty Ltd (Administrators Appointed)	074 715 718
12	Onesource Australia Holdings Pty Limited (Administrators Appointed)	120 463 541
13	Smartprint Fleet Management Pty Ltd (Administrators Appointed)	132 807 080
14	Autonomous Energy Pty Ltd (Administrators Appointed)	113 593 383
15	Orca Enviro Solutions Pty Ltd (Administrators Appointed)	626 552 645
16	Orca Enviro Systems Pty Ltd (Administrators Appointed)	627 597 782
17	14 James Street Pty Ltd (Administrators Appointed)	638 449 206
18	26 Edmonstone Road Pty Ltd (Administrators Appointed)	622 944 129
19	5 Bulkara Street Pty Ltd (Administrators Appointed)	630 982 160
20	6 Bulkara Street Pty Ltd (Administrators Appointed)	639 734 473
21	Aramia Holdings Pty Ltd (Administrators Appointed)	114 958 717
22	Eros Management Pty Ltd (Administrators Appointed)	622 298 346
23	Intrashield Investment Group Pty Ltd (Administrators Appointed)	645 578 829
24	Intrashield Pty Ltd (Administrators Appointed)	133 426 534
25	Spartan Consulting Group Pty Ltd (Administrators Appointed)	168 989 544