



## **Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)**

**Sound Diagnostics Pty Ltd (Administrators Appointed)**  
**ACN 116 377 201**  
**(Sound Diagnostics)**

The purpose of this document is to assist creditors with understanding any relationships that the Administrators have and any indemnities or upfront payments that have been provided to the Administrators. None of the relationships disclosed in this document are such that the independence of the Administrators is affected.

This information is provided to you to enable you to make an informed assessment on any independence concerns, so you have trust and confidence in our independence and, if not, 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.

### **A. Independence**

We, Rob Kirman and Matthew Caddy, of the firm McGrathNicol have undertaken an assessment of the risks to our independence prior to accepting the appointment as Administrators of Sound Diagnostics 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**

#### **B1. *Circumstances of appointment***

This appointment was referred to us by Rosey Batt and Associates, the legal advisors to Sound Diagnostics.

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

- The referral was unconditional.
- There have been no prior referrals of work from Rosey Batt and Associates.
- Referrals within the business community are commonplace and do not impact on our independence in carrying out our duties as administrators

Rosey Batt and Associates initially contacted McGrathNicol on 18 May 2020 to request that a conflict check be undertaken, as Sound Diagnostics was considering the potential appointment of Voluntary Administrators. After that contact, we conducted a conflict check and advised Rosey Batt and Associates we were not subject to any conflict. Following that communication we held six teleconferences and various exchanges of email correspondences with Sound Diagnostics' sole director, Ms Cara Miller, during the period from 20 May to 24 May 2020. Three of these teleconferences were attended by Sound Diagnostics' legal advisors, Rosey Batt and Associates. Rob Kirman, as one of the proposed Administrators, attended each of these teleconferences. The purposes of those discussions and communications was:

- to receive briefings about the current financial position, including the impact of litigation and recent creditor demands and about the operations of the company;
- to be provided with information regarding legal action against the company;



- to provide an introduction to the voluntary administration process and evaluating its suitability for the circumstances of Sound Diagnostics; and
- obtaining information to enable effective planning for commencing a voluntary administration appointment of an operating business.

We received no remuneration for these attendances and for providing and receiving the above information.

In our opinion, these communications do not affect our independence for the following reasons:

- it is recognised by the Courts and the ARITA Code of Professional Practice that pre-appointment advice regarding the insolvency process and available options is necessary and does not amount to an impediment to accepting an appointment; and
- the communications that took place prior to our appointment were focused on understanding Sound Diagnostics' current financial position, legal proceedings that are on foot and planning for a possible voluntary administration. The nature of these communications would not be subject to review and challenge during the course of the Administration. Nor would the advice influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration in an objective and impartial manner.

We have provided no other information or advice to Sound Diagnostics' or its director Cara Miller or its advisors prior to our appointment beyond that outlined in this DIRRI.

**B2. *Prior professional services to the Insolvent***

Neither we, nor our firm, have provided any professional services to, or in relation to, Sound Diagnostics, in the previous 24 months.

**B3. *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 Sound Diagnostics, an associate of Sound Diagnostics a former insolvency practitioner appointed to Sound Diagnostics or any person or entity that is entitled to enforce a security interest in the whole or substantially the whole of Sound Diagnostics' property.

**B5. *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 Sound Diagnostics, an associate of Sound Diagnostics, a former insolvency practitioner appointed to Sound Diagnostics or any person or entity that is entitled to enforce a security interest in the whole or substantially the whole of Sound Diagnostics' property that should be disclosed.



**C. Indemnities and up-front payments**

We have not been indemnified in relation to this Voluntary 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: 28 May 2020

A handwritten signature in black ink, appearing to read 'Rob Kirman'.

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**[Signed, Rob Kirman]**

A handwritten signature in black ink, appearing to read 'Matthew Caddy'.

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**[Signed, Matthew Caddy]**

**Note:**

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.

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