



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

**SKB Australia Pty Ltd (Administrators Appointed) as Trustee for KBS Family Trust trading as Darch SUPA IGA ACN 150 748 093 (SKB)**

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to SKB 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 prevent us from accepting this appointment.

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

### **B. Circumstances of Appointment**

#### *How we were referred this appointment*

This appointment was referred to Rob Kirman of McGrathNicol by Mendelawitz Morton Commercial Lawyers (**Mendelawitz Morton**), the legal advisors of SKB via an initial phone call on 15 March 2021.

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 Mendelawitz Morton.
- referrals within the business community are commonplace and do not impact our independence in carrying out our duties as administrators.

There is no expectation, agreement or understanding between us and Mendelawitz Morton regarding the conduct of the Administration and we are free to act independently and in accordance with the law and applicable professional standards.

Rob Kirman met with Reinaldo Nunes, the sole director of SKB (**Director**), and advisers to the company Medelawitz Morton and Vantage Performance on 17 March 2021 to gain a high level understanding of (i) the corporate group owned and/or operated by the Director and the financial position of the relevant corporate entities within the group, and (ii) to discuss the various insolvency options available.

On 26 March 2021, Rob Kirman and a senior member of McGrathNicol staff attended a meeting with the Director and Gabriel Pereira, the director of other group entities including Evermaze Pty Ltd atf the Evermaze Trust t/as Vale



IGA (**Evermaze**) and Mainteam Pty Ltd atf the Redside Trust t/as Ellenbrook IGA (**Mainteam**). Mr Nunes and Mr Pereira are the joint shareholders of Evermaze and Mainteam. Also in attendance were company advisers from Medelawitz Morton and Travaglini Corporate Advisory. The purpose of the meeting was to receive an update on the financial position of Evermaze and Mainteam, and to discuss a potential insolvency appointment to those entities.

Rob Kirman and a senior member of McGrathNicol staff met with the Director, the Directors' wife, Helena Nunes, and staff from Travaglini Corporate Advisory on 13 April 2021 to receive an update in relation to Evermaze and Mainteam, together with details of a restructuring plan being prepared for SKB by Travaglini Corporate Advisory. Mr Kirman provided explanation of the voluntary administration process as a contingency plan in the event the restructuring plan was unsuccessful or not supported by key stakeholders.

On 14 April 2021, a senior member of McGrathNicol staff attended the SKB site to gain familiarity with the SKB business should an appointment occur.

A further meeting took place on 15 April 2021 between Mr Kirman, with a senior member of McGrathNicol staff in attendance, the Director, Mrs Nunes, and company advisers from Medelawitz Morton and Travaglini Corporate Advisory. The purpose of this meeting was to (i) receive a briefing on the restructuring proposal prepared by Travaglini Corporate Advisory, which was to be presented to key stakeholders of SKB the following day, and (ii) further discuss the voluntary administration process and contingency planning in the event the restructuring plan was not supported by key stakeholders.

On 16 April 2021, Rob Kirman attended a meeting, at the Director's request, with representatives from Westpac Banking Corporation Limited (**Westpac**), SKB's first ranking secured creditor. In attendance at that meeting was the Director, Mrs Nunes, company advisers from Mendelawitz Morton and Travaglini Corporate Advisory and representatives Westpac. The purpose of the meeting was to present the restructuring proposal prepared Travaglini Corporate Advisory to Westpac and to also advise of McGrathNicol's involvement in the event key stakeholders did not support the restructuring proposal.

On 18 April 2021 Rob Kirman, with a senior member of McGrathNicol staff again met with the Director, the Director's wife and a staff member from Travaglini Corporate Advisory to plan for an insolvency appointment to SKB and other related entities the following day.

These meeting was for the purpose of:

- receiving briefings about the current financial position, including the impact of litigation and recent creditor demands and about the operations of the company;
- being provided with information regarding legal action against the company;
- answering queries about the voluntary administration process and evaluating its suitability for the circumstances of SKB; and
- obtaining information to enable effective planning for commencing a voluntary administration appointment of an operating business.

On the morning of 19 April 2021, prior to the appointment of administrators, Rob Kirman and a senior member of McGrathNicol staff attended a meeting with Westpac and Metcash Trading Limited (**Metcash**). Westpac and Metcash provided funding to SKB and related entities operating the IGA business. The purpose of the meeting was to discuss:

- the potential for an appointment later that day;
- the potential Voluntary Administrators' strategy regarding SKB's business and creditor voluntary liquidation appointments to other group entities, including Evermaze and Mainteam; and



- whether either financier would be supportive of the proposed trading strategy.

The Director of SKB subsequently resolved to appoint Rob Kirman and Rob Brauer as joint and several voluntary administrators of SKB on 19 April 2021. Rob Kirman and Rob Brauer were also appointed liquidators to related entities Evermaze and Mainteam, by resolution of these companies, on the same day.

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

In our opinion, these meetings and all 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 SKBs' current financial position, recent legal correspondence 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 SKB, the Director and/or relevant advisors prior to our appointment beyond that outlined in this DIRRI.

### C. Declaration of Relationships

Within the previous two years, have we, or our firm, had a relationship with:	
SKB?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
The directors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Any associates of SKB?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  An associate is a director or secretary of SKB, a related body corporate of SKB or a director or secretary of a related body corporate of SKB. A related body corporate includes the holding company of SKB, a subsidiary of SKB and a subsidiary of the holding company of SKB.  We have not had any prior relationships with any associates of SKB.
A former insolvency practitioner appointed to SKB?	<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 SKB's property?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  Westpac and Metcash hold a charge or charges on the whole or substantially the whole of the property of the company.  McGrathNicol undertakes restructuring and advisory work from time to time on instructions from Westpac.  We believe this relationship does not result in a conflict of interest or duty because: <ul style="list-style-type: none"><li>▪ Each professional engagement undertaken for Westpac in relation to a particular entity or group of entities is conducted on an entirely separate basis which has no bearing on this appointment.</li><li>▪ These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.</li><li>▪ McGrathNicol has not undertaken an engagement for Westpac in respect of the company (other than that referred to in Part B above). Given these factors, our independence in acting as voluntary administrator/liquidator of the company has not been affected.</li></ul>

<b>Do we have any other relationships that we consider are relevant to creditors assessing our independence?</b>
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

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

Dated: 22 April 2021

.....  
**Rob Kirman**

.....  
**Rob Brauer**

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.