



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Marine & Civil Pty Ltd (Administrators Appointed)

ACN 147 854 635

(Marine & Civil)

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 Practitioner.

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, Robert Kirman and Robert Brauer, of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as administrators of Marine & Civil 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*

Mr Kirman was contacted by and met with the director of Marine & Civil, Mr John Neylon, and his advisor Mr Chris Brown of accounting firm, William Buck on 15 November 2017. Mr Kirman had briefly encountered Mr Neylon in the period late 2014 through to early 2015 regarding a possible engagement to assist Marine & Civil with a legal matter that was subsequently resolved without any engagement of McGrathNicol.

Mr Kirman and Mr Brauer subsequently met with Mr Neylon and a senior staff member of Marine & Civil again on 26 February 2018. The purpose of both these meetings were to discuss Marine & Civil's financial position, ongoing financial performance and a high level explanation of general turnaround and/or insolvency options available to Marine & Civil.

Mr Kirman and a senior staff member of McGrathNicol met with Mr Neylon and Marine & Civil's Finance Manager on 4 July 2018 to further discuss the financial position of Marine & Civil, together with the voluntary administration process, mechanics to initiate and planning to stabilise the business should an appointment occur. Marine & Civil's second director, Mr Sampath Jayasinghe briefly attended this meeting via telephone.



Mr Kirman and a senior staff member of McGrathNicol met with Mr Neylon again on 6 July 2018, along with Marine & Civil's external lawyer, Mr Tony Fifield of Avon Legal. The purpose of this meeting was to further plan for a potential voluntary administration.

Mr Kirman and Mr Knight met with Mr Neylon and Marine & Civil's Finance Manager again on 9 July 2018 in relation to the potential appointment of administrators to Marine & Civil.

The directors of Marine & Civil subsequently resolved to appoint Rob Kirman and Rob Brauer as joint and several voluntary administrators of Marine & Civil on 10 July 2018.

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

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

- Although held over a period of several months, the discussions were of limited scope being confined to factual matters including:
 - understanding the financial position of Marine & Civil and how this evolved;
 - explaining the insolvency options available to Marine & Civil; 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 prior to our appointment beyond that outlined in this DIRRI.

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

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

We or a member of our firm, have or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
National Australia Bank Limited (NAB)	<p>NAB holds a charge, by way of General Security Agreement, over the whole or substantially the whole of the property of Marine & Civil.</p> <p>McGrathNicol undertakes corporate recovery and advisory work from time to time on instructions from NAB.</p>	<p>We believe this relationship does not result in a conflict of interest or duty because:</p> <p>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.</p> <p>These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders.</p> <p>McGrathNicol has not undertaken an engagement for NAB in respect of Marine & Civil. Given these factors, our independence in acting as voluntary</p>



		administrator of Marine & Civil has not been affected.
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(iii) Prior professional services to the Insolvent

Neither we, nor our firm, have provided any professional services to Marine & Civil, 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 Marine & Civil, an associate of Marine & Civil, a former insolvency practitioner appointed to Marine & Civil or any person or entity that has security over the whole or substantially the whole of Marine & Civil's property that should be disclosed.

C. Indemnities and Up-front Payments

We have not been indemnified in relation to this 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: 12 July 2018

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Robert Kirman

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Robert Brauer

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.