



Declaration of Independence, Relevant Relationships and Indemnities (DIRRI)

Unlockd Limited (Administrators Appointed) ACN 169 872 502
Unlockd IP Pty Ltd (Administrators Appointed) ACN 602 741 355
Unlockd AU Pty Ltd (Administrators Appointed) ACN 602 741 284
Unlockd Operations Pty Ltd (Administrators Appointed) ACN 608 719 375
(combined "Unlockd" or the "Group")

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, Keith Crawford and Robert Smith, of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as administrators of Unlockd 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*

This appointment was referred to us by a representative of Adara Partners, an advisor to Unlockd. The nature of the relationship is a business acquaintance of McGrathNicol partner, Peter Anderson. Peter Anderson and the referrer have not had a professional relationship and this is the first referral made to McGrathNicol.

We believe this referral does not result in a conflict of interest or duty in acting as Voluntary Administrators of Unlockd because:

- the referral is unconditional;
- introductions by company advisors within business networks are common practice; and
- the appointment was only accepted after full regard was given to potential conflicts of interest in relation to all interested stakeholders of the Group.



On 7 June 2018, Peter Anderson introduced Keith Crawford to the Adara Partner representative via phone. The Adara Partners representative then introduced Keith Crawford to Jane Martino (Chief Executive Officer of Unlockd) via email. Jane Martino subsequently introduced Keith Crawford via email to Matthew Berriman, a director of the Unlockd companies. During the period 7 June to 12 June 2018, Keith Crawford and Robert Smith then had various telephone conversations and exchanged emails with Jane Martino and Matthew Berriman for the purposes of:

- receiving background information about the operations and financial position of the Group;
- providing information about insolvency options and particularly the voluntary administration process;
- planning for the potential appointment of voluntary administrators.

Keith Crawford and Robert Smith also had several conversations with Mark Clifton from Herbert Smiths Freehills, legal advisers to the Group. These conversations focused on the form of the consent documents relating to the appointment and the provision of background information to enable effective planning for the proposed appointments. No remuneration was paid or claimed in relation to advice provided during these communications.

Other than as advised above, there have been no meetings or other communications with the directors of any of the Unlockd companies.

These communications do not impact our independence for the following reasons:

- it is recognised by the Courts and the Australian Restructuring, Insolvency and Turnaround Association (**ARITA**) Code of Professional Practice that pre-appointment discussions regarding insolvency options and obtaining background information are necessary and do not amount to an impediment to accepting an appointment; and
- given the limited scope and timeframe of these communications which focused on planning for a potential appointment, they would not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to Unlockd and its legal advisors, Herbert Smith Freehills, 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 Unlockd, an associate of Unlockd, a former insolvency practitioner appointed to Unlockd or any person or entity that has security over the whole or substantially whole of Unlockd's property.

(iii) *Prior professional services to the Insolvent*

Neither we, nor our firm, have provided any professional services to Unlockd, 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 Unlockd, an associate of Unlockd, a former insolvency practitioner appointed to Unlockd or any person or entity that has security over the whole or substantially the whole of Unlockd'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.



D. Appointments to Members of a Corporate Group

As specified on page one of this Declaration, the administrators have been appointed as voluntary administrators of four companies within the Unlockd group of companies.

The administrators are of the view that the appointment to the group of companies will have significant benefits to the conduct of the voluntary administration, particularly in that this will provide for cost-savings and enable an accurate as possible view to be obtained of the activities and financial position of the companies as a whole. The Voluntary Administrators are aware that there are inter-company transactions 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 either company, then the Voluntary Administrators undertake to disclose any such conflicts to the creditors and as appropriate, seek Court directions as to the means of resolving the potential conflict.



Dated: 12 Jun 2018

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Keith Crawford

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Robert Smith

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.