



McGrathNicol

Declaration of Independence, Relevant Relationships and Indemnities – second update (“DIRRI”)

**Oakville Produce Group (list attached at Annexure 1)
 (“the Group”)**

The *Corporations Act 2001* and professional standards require the Practitioners appointed to an insolvent entity to make a declaration as set out in this document 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.

The following declaration addresses these issues and is made on behalf of ourselves, our partners and the firm McGrathNicol:

A. Independence

We, Barry Frederic Kogan, Jason Preston and Theodora Alice Eszenyi of the firm McGrathNicol have undertaken a proper assessment of the risks to our independence prior to consenting to our appointment as Administrators of the Group 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

McGrathNicol’s executive chairman, Peter Anderson, was contacted by a director of the Group, Simon Dighton in early April who flagged financial challenges being faced by the Group and the possible need for the appointment of an external administrator. Mr Dighton contacted Mr Anderson by telephone again on 11 May 2016 for the purpose of requesting the consent of McGrathNicol partners for our appointment as Voluntary Administrators.

In our opinion these discussions do not affect our independence as they were of extremely limited scope and would not be subject to review and challenge during the course of the administration. Nor would these limited scope communications 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.



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(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
Simon Dighton and Catalyst Invest	<p>Simon Dighton is a director of companies within the Group, representing the interests of Catalyst Invest, who hold equity interests in the Group.</p> <p>Mr Dighton is a senior executive at Catalyst Invest and referred the voluntary administration to McGrathNicol.</p> <p>Catalyst Invest are an investment services firm which from time to time has engaged McGrathNicol for advisory and restructuring assistance. The relationship with Catalyst Invest and its executives are professional relationships.</p>	<p>We believe this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none">▪ McGrathNicol's relationship with Catalyst Invest and its executives (including Simon Dighton) are professional relationships. Professional relationships between investment managers and business advisers are common practice and there are no formal agreements between McGrathNicol or its partners, Catalyst Invest or Mr Dighton that impact our independence in carrying out our duty as administrators.▪ McGrathNicol has not undertaken any previous engagement on behalf of Catalyst Invest in relation to the Group.▪ Each professional engagement undertaken for Catalyst Invest in relation to a particular entity is conducted on an entirely separate basis and is commenced only after full regard is given to potential conflicts of interest in relation to all interested parties.▪ The referral from Mr Dighton was unconditional. <p>Given these factors, our independence in acting as administrators of the Group has not been affected.</p>
Commonwealth Bank of Australia ("CBA") and Rabobank, Bain Capital and Deutsche Bank	<p>The CBA, Rabobank, Bain Capital and Deutsche Bank are the syndicated financiers of the Group (Lending Syndicate). Together they have security over the whole or substantially the whole of the Groups' property (excluding Oakville Produce Export Pty Ltd (Administrators Appointed)). CBA entities act as Agent and as Security Trustee for the Lending Syndicate.</p> <p>From time to time McGrathNicol provides advisory and restructuring services for each of the members of the lending syndicate.</p>	<p>We believe these relationships do not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none">▪ McGrathNicol's relationship with the CBA, Rabobank, Bain Capital and Deutsche Bank and their file managers are professional relationships.▪ Professional relationships between banks and business advisers are common practice and there are no formal agreements between McGrathNicol, its partners or the members of the Lending Syndicate that impact our independence in carrying out our duty as administrators.▪ Previous engagements undertaken for members of the Lending Syndicate have no relation to the Group. <p>Each professional engagement undertaken for the Lending Syndicate in relation to a particular entity is conducted on an entirely separate basis and is commenced only after full regard is given to potential conflicts of interest in relation to all interested parties. Given these factors, our independence in acting as administrators of the Group has not been affected.</p>



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(iii) Prior professional services to the Insolvent

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

C. Indemnities and Up-front Payments

The Administrators have been provided with an undertaking by the Receivers, Deloitte (on behalf of the Lending Syndicate) that our remuneration and expenses are indemnified for an initial sum of \$150,000 plus GST plus legal fees. If any further amounts are provided by way of indemnities, then we will update the DIRRI accordingly.

There are no conditions on the conduct of the Administration attached to the provision of this indemnity and any funds utilised for the payment of our remuneration will not be drawn until such time as it is approved as required by the *Corporations Act*.

This does not include statutory indemnities and we have not received any other indemnities or up-front payments that should be disclosed.

Dated: 1 December 2016

Barry Frederic Kogan

Jason Preston



Theodora Alice Eszenyi

Notes:

- A.** 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 the creditors/Committee with our next communication, as well as table a copy of any replacement Declaration at the next meeting of the insolvent's creditors/Committee.
- B.** 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.



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Annexure 1

Oakville Produce Group of Companies

Company name	ACN
King Holding Company 1 Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	162 529 384
King Holding Company 2 Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	162 530 761
King Bid Company Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	162 530 930
Oakville Produce Group Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	119 179 216
Oakville Produce Asian Holdco Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	162 955 857
Oakville Produce Australian HoldCo Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	162 558 714
Oakville Produce Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	119 180 004
Oakville Produce Qld Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed)	071 791 369
OP Holdco SA Pty Limited (Administrators Appointed)(Receivers and Managers Appointed)	127 656 400
Oakville Potatoes Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed)	080 208 671
Golden Sunrise Produce Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed)	126 506 303
Lachlan Produce Pty Ltd (Administrators Appointed)(Receivers and Managers Appointed)	113 179 883
Oakville Produce Export Pty Ltd (Administrators Appointed)	169 302 416