

## **Declaration of Independence, Relevant Relationships and Indemnities**

<b>Careers Australia Group Limited</b>	<b>122 171 840</b>
<b>Australian School of Management Pty Ltd</b>	<b>138 545 605</b>
<b>Australian College of Applied Education Pty Ltd</b>	<b>009 369 797</b>
<b>Careers Australia College of Healthcare Pty Ltd</b>	<b>007 963 340</b>
<b>Careers Australia Education Institute Pty Ltd</b>	<b>120 675 505</b>
<b>Careers Australia Institute of English Pty Ltd</b>	<b>010 994 582</b>
<b>Careers Australia Institute of Training Pty Ltd</b>	<b>122 082 204</b>
<b>Cumulonimbus Investments Pty Ltd</b>	<b>169 444 213</b>
<b>Global Learning Support Group Pty Ltd</b>	<b>169 155 480</b>
<b>Stratocumulus Pty Ltd</b>	<b>611 961 196</b>
<b>Today Corp Ltd</b>	<b>101 631 485</b>
<b>ACN 097 871 93 (formerly known as Workstar Pty Ltd)</b>	<b>097 871 933</b>

**(All in Liquidation)  
(Collectively referred to as the Group)**

A Practitioner appointed to an insolvent entity is required to make declarations as to:

- A. their independence generally
- B. relevant relationships, including:
  - i. the circumstances of the appointment
  - ii. any relationships with the Group and others within the previous 24 months
  - iii. any prior professional services for the Group within the previous 24 months
  - iv. any that there are no other relationships to declare and
- C. any indemnities given, or up-front payments made, to the Practitioner.

PPB Advisory merged with PricewaterhouseCoopers (PwC) on 1 August 2018. As a result, the majority of PPB Advisory's partners and staff joined PwC, including the Liquidators of the Group.

An independence review was undertaken by PwC prior to completing the merger. We confirm that the independence review did not identify any issues regarding independence, relevant relationships or indemnities that would have precluded us continuing in our role as liquidators of the Group.

There have not been any other changes that would have affected our independence, relevant relationships or indemnities requiring notification to creditors since our initial appointment as administrators on 25 May 2017 (11 entities) and 26 May 2017 (Stratocumulus Pty Ltd) as detailed in our Declaration of Independence, Relevant Relationships and Indemnities dated 29 May 2017.

This declaration is made in respect of us, our partners, PwC and all members of the PwC global network in Australia.

### **A. Independence**

We, David McEvoy and Martin Ford of PwC, 2 Riverside Quay, Southbank VIC 3006, have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators of the Group in accordance with the law and applicable professional standards.

This assessment, together with the further detailed independence review undertaken by PwC, identified no real or potential risks to our independence. We were not aware of any conflicts at the time of our appointment or any reasons that would prevent us from accepting this

appointment or subsequently continuing our appointment as liquidators of the Group following the merger with PwC.

In the event that any conflict arises, we will seek independent legal advice or court directions if appropriate.

In the event that this declaration needs to be updated, we will issue a written notice to all known creditors as per the Group's records.

## **B. Declaration of Relationships**

### **i. Circumstances of appointment**

This appointment was referred to us by Brendon Watkins of Minter Ellison.

As outlined below, we have had various dealings with relevant parties to discuss the Group's affairs prior to our appointment as Administrators:

<b>Date</b>	<b>Description</b>
<b>12 April 2017</b>	Brendon Watkins contact David McEvoy to advise that the Group may require assistance following a recent government announcement withdrawing funding from the Group. Martin Ford and his staff met with the Group's Executive Chairman (Patrick McKendry), the Chief Executive Officer (Walter Gilmore) and other staff to review the Group's position.
<b>12 April to present</b>	<p>We conducted an initial high level assessment of available information and were provided email updates and held limited discussions with Mr McKendry, Mr Gilmore and Mr Richard Pepper, Chief Financial Officer, as well as with Jarrod Villani from KordaMentha and his staff, who had been engaged on behalf of Westpac.</p> <p>On 5 May 2017, we provided an engagement letter to the Group which was signed on 11 May 2017. We were requested to provide assistance on the following matters:</p> <ol style="list-style-type: none"><li>1. Analysis of performance by Business Unit/Division, to assess turnaround/profitability potential of each Unit/Division</li><li>2. Analysis of Balance Sheets on an entity by entity basis to assess the potential impact if a restructuring of liabilities can be achieved</li><li>3. Review of mechanisms by which a restructuring could be implemented</li><li>4. Identify factors that could impact on the ability to pursue restructuring options and assess how those factors could potentially be dealt with.</li></ol>
<b>24 May 2017</b>	We were contacted by Minter Ellison and Walter Gilmore to advise that the Board was likely to meet the next day to consider the options of the Group.
<b>25 May 2017</b>	Martin Ford met with Patrick McKendry, Walter Gilmore, Richard Pepper and other senior Group management and attended a teleconference with the Board and Brendon Watkins of Minter Ellison to provide an overview of the voluntary administration process and planning considerations.

In our opinion, these meetings and discussions do not affect our independence, as the advice was given to the Group and not to the director personally. Further, the advice was restricted to the limitations imposed by Principle 2 of the Code of Professional Practice in relation to pre-appointment advice. Further, the advice provided is unlikely to be subject to review during the administration and would not impact on compliance with our statutory and fiduciary duties. It is for these reasons that the advice does not, in our opinion, give rise to a conflict of interest or duty.

We received \$12,500 (excluding GST) as part payment for this advice.

We have not provided other information or advice to the Group, its directors and advisors prior to our appointment, beyond that outlined in this Declaration of Independence, Relevant Relationships and Indemnities (DIRRI).

On 30 June 2017, we were appointed as joint and several liquidators of the Group pursuant to the resolutions passed at the second meetings of creditors. Prior to accepting the appointment as Liquidators, we did not identify any potential threat to independence and considered there to be no impediment for us to conduct the liquidation.

**ii. Relevant relationships (excluding professional services to the insolvent)**

PwC undertakes assignments for a large number of corporate and government entities in Australia and will have acted for some creditors of the Group. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Group in an objective and impartial manner.

The partners and staff of PPB Advisory who joined PwC from 1 August 2018 may have previously acted for some creditors of the Group. We are not aware of any such relationship that would influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the liquidation of the Group in an objective and impartial manner.

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

**Security Holders:**

Westpac Banking Corporation (WBC)

<b>Nature of relationship</b>	<b>Reasons why no conflict of interest or duty</b>
WBC is an audit client of PwC. WBC hold security interests over the Group's property. We have professional relationships with the majority of the major banks and lenders in Australia and with a number of staff within WBC, particularly in the credit and workout areas. We have previously undertaken formal and informal assignments on behalf of WBC for a number of years.	We believe that this relationship does not result in a conflict of interest or duty because our previous relationships with the Security Holder was not in relation to the Group and/or the directors' affairs, or related parties of the Group and/or the directors.

National Australia Bank (NAB)

<b>Nature of relationship</b>	<b>Reasons why no conflict of interest or duty</b>
NAB hold security interests over the Group's property. We have professional relationships with the majority of the major banks and lenders in Australia and with a number of staff within NAB particularly in the credit and workout areas. We have previously undertaken formal and informal assignments on behalf of NAB for a number of years.	We believe that this relationship does not result in a conflict of interest or duty because our previous relationships with the Security Holder was not in relation to the Group and/or the directors' affairs, or related parties of the Group and/or the directors.

**Statutory Creditors:**

Australian Taxation Office (ATO), Workcover

<b>Nature of relationship</b>	<b>Reasons why no conflict of interest or duty</b>
<p>Various Practitioners within PwC are members of panels for appointment as liquidators and bankruptcy trustees, including for the ATO and Workcover</p> <p>We have undertaken formal assignments of companies where the ATO and Workcover are creditors.</p>	<p>We believe that these relationship do not result in a conflict of interest or duty. Our previous relationship with these statutory creditors has not been and is not currently in relation to the Group's affairs and/or the Group's Directors or related parties.</p>

**iii. Prior professional services to the insolvent**

We, or our firm, have provided the following professional services to the Group in the 24 months preceding our initial appointment as administrator:

<b>Nature of professional service</b>	<b>Reasons why no conflict of interest or duty</b>
<p>On 11 May 2017, we were engaged to provide financial advisory assistance to the Careers Australia Group Limited's Board, including matters such as:</p> <ul style="list-style-type: none"><li>• Analysis of performance by Business Unit/Division, to assess turnaround/profitability potential of each Unit/Division</li><li>• Analysis of Balance Sheets on an entity by entity basis to assess the potential impact if a restructuring of liabilities can be achieved</li><li>• Review of mechanisms by which a restructuring could be implemented</li><li>• Identify factors that could impact on the ability to pursue restructuring options and assess how those factors could potentially be dealt with.</li></ul> <p>The engagement occurred over a period of less than two weeks and we were paid a fee of \$12,500 (plus GST) for the services provided</p>	<p>Much of the work done during the engagement is work that would have been done by us in order to report to creditors under section 439A of the Corporations Act. The nature of the work for the Group is such that it would not be subject to review and challenge during the course of the administration.</p> <p>The engagement will not influence our ability to fully be able to comply with the statutory and fiduciary duties associated with the administrations of the Group in an objective and impartial manner.</p>

**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 the whole of the Group'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. We have not received any upfront payments in respect of our remuneration or disbursements.

Dated this 25th day of September 2018



**David McEvoy**  
Liquidator



**Martin Ford**  
Liquidator

*Note:*

- 1. If circumstances change, or new information is identified, we are required under the Corporations Act 2001 and the Australian Restructuring Insolvency & Turnaround Association (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.*