

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

**Laura Ashley (Australia) Pty Ltd (Administrators Appointed)  
ACN 004 817 323 (“the Company”)**

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including:
  - i. the circumstances of the appointment;
  - ii. any relationships with the Insolvent and others within the previous 24 months;
  - iii. any prior professional services for the Insolvent within the previous 24 months;
  - iv. 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 with respect to ourselves, our fellow Senior Managing Directors and FTI Consulting (Australia) Pty Ltd (“**FTI Consulting**” or “**Firm**”) and associated entities.

### **A. Independence**

We, Ross Blakeley, Quentin Olde and John Park of FTI Consulting have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint and Several Administrators of the Company 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 Daryl Chait, the Company’s sole director, was referred to Mr David Beatty, a Senior Advisor at FTI Consulting, by a mutual business contact.

On 21 December 2015 Mr Blakeley and Mr Beatty met with Mr Chait to discuss the position of the Company. During this meeting, the following matters were discussed:

- (a) the general financial position, affairs and operations of the Company;
- (b) the position of the licensor, Laura Ashley Ltd;
- (c) the position of the Company’s major financier;

- (d) assessments that were being undertaken by other advisors regarding the Company;
- (e) the options available to the Company, including formal insolvency, possible informal restructure and turnaround initiatives, and the potential of an equity injection/investor;
- (f) the possibility of a Voluntary Administration and the associated process; and
- (g) the nature and consequences of an insolvency appointment.

Mr Beatty had a number of follow-up discussions with Mr Chait following that meeting.

Mr Beatty then met with Mr Chait again on 24 December 2015. This meeting was also attended by Mr James Stewart, a partner at Ferrier Hodgson, in his capacity as an advisor to the primary security interest holder of the Company, the Commonwealth Bank of Australia Limited ("**CBA**"). The matters discussed at this meeting were similar to the meeting of 21 December 2015, and also included the following:

- (a) the position of the secured creditor in relation to the Company;
- (b) the potential for the introduction of an investor to the business, including the licensor;
- (c) the restructuring alternatives available; and
- (d) the implications of the possible appointment of a Voluntary Administrator on the Company and its stakeholders.

In the period up to 6 January 2016, Mr Beatty had a number of telephone follow-up discussions with Mr Chait to further discuss the issues and options discussed at the meetings.

On 6 January 2016, Mr Chait, via Mr Beatty, requested that Mr Blakeley provide a Consent to Act as Voluntary Administrator. Mr Blakeley then:

1. Contacted and spoke to representatives of the CBA to advise that he had been requested to provide a Consent to Act. The CBA's general position and the potential appointment of Voluntary Administrators were discussed. It is common practice to approach and engage with substantial security interest holders prior to appointment as Voluntary Administrator given their standing; and
2. Spoke to Mr Chait regarding the position of the Company and potential appointment, issues that would require immediate consideration in a Voluntary Administration, and the process generally.

On 7 January 2016, Mr Blakeley met with Mr Chait at which time Mr Chait passed a resolution to effect the appointment of Messrs Blakeley, Olde and Park of FTI Consulting as Administrators of the Company.

No remuneration has been received for any time expended by this firm in discussing the

situation and options for the Company prior to 7 January 2016.

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

- (a) It is normal and practically required to be approached and have discussions with a director and major stakeholders immediately preceding an appointment;
- (b) the Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- (c) the nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of our appointment;
- (d) no specific personal advice has been given to the Director in his capacity as Director of the Company or in relation to his personal position;
- (e) the pre-appointment advice will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Joint and Several Administrators of the Company in an objective and impartial manner.

Neither we nor any other Senior Managing Director of FTI Consulting or associate of FTI Consulting have provided any other information or advice to the Company or the Director prior to our appointment beyond that outlined in this DIRRI.

There are no conditions on the conduct or outcome of this administration arising from the referral of this matter to FTI Consulting, including no fees or commissions, agreements for work in the administration, or other benefits.

## ii. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither we, nor any other Senior Managing Director of FTI Consulting or staff of FTI Consulting have had within the preceding 24 months, any relationship with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company, or any person or entity that has security over the whole, or substantially the whole of the Company's property, except as detailed below:

Name	Nature of relationship	Reasons why not an Impediment or Conflict
Commonwealth Bank of Australia ("CBA"), holder of a registered security interest over the Company's assets.	FTI Consulting provides consultancy and business advisory services to CBA from time to time which includes acting in receivership and investigating accountant roles, with respect to other non related entities.	The other work that FTI Consulting undertakes for CBA will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with our appointment as Voluntary Administrators of the Company in an objective and impartial manner.

**iii. Prior Professional Services to the Insolvent**


Neither we, nor any other Senior Managing Director of FTI Consulting or associate of FTI Consulting have provided any professional services to the Company 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 the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially the whole of the Company'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.



.....  
Ross Andrew Blakeley  
8 January 2016



.....  
Quentin James Olde  
8 January 2016



.....  
John Richard Park  
8 January 2016

**NOTE:**

1. If circumstances change, or new information is identified, we are required under the Corporations Act 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.