

## DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

### FOREX CAPITAL TRADING PTY LTD (IN LIQUIDATION)

**ACN 119 086 270**

**(“THE COMPANY”)**

The purpose of this document is to assist creditors with understanding any relevant relationships that we have with parties who are closely connected to the Company and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of ourselves, our fellow Senior Managing Directors/Managing Directors, FTI Consulting (Australia) Pty Ltd (“FTI Consulting” or “Firm”) and associated entities, as detailed in **Annexure A**.

We are Professional Members of the Australian Restructuring Insolvency and Turnaround Association (“ARITA”). We acknowledge that we are bound by the ARITA Code of Professional Practice.

### Independence

We have assessed our independence and we are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

### Circumstances of appointment

#### How we were referred this appointment

This appointment was referred to FTI Consulting by Clifford Chance, who were the lawyers for the former director of the Company.

We believe that this referral does not result in us having a conflict of interest or duty because:

- There is no expectation, agreement or understanding between us and Clifford Chance regarding the conduct of the liquidation and we are free to act independently and in accordance with the law and applicable professional standards.

- Clifford Chance refers insolvency-related work to FTI Consulting from time to time. Neither the Liquidators nor FTI Consulting have any formal or informal referral arrangements with Clifford Chance and to our knowledge they do not exclusively refer such work to us or FTI Consulting.
- FTI Consulting is not reliant upon referrals from Clifford Chance, who are one of a considerable number of firms, organisations and persons who refer work to, or seek advice from, FTI Consulting. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other referrals from Clifford Chance is not material to FTI Consulting.
- Work referrals arising from networks of business professionals, advisors and other persons are normal and accepted arrangements, and do not inherently impact on us discharging our statutory duties and obligations with independence and impartiality.
- While FTI Consulting has in the past engaged Clifford Chance to provide legal advice, this has been for separate, non-related insolvency/restructuring engagements. Clifford Chance is one of many external firms who provide such advice and assistance to FTI Consulting from time to time, which is on a non-exclusive basis and based upon professional service and expertise.

Did we meet with the Company, the directors or their advisers before we were appointed?

☒ Yes ☐ No

FTI Consulting, the Company and its ultimate holding company, Invesus Group Ltd (a company incorporated in Gibraltar) ("Invesus"), and Clifford Chance had meetings via Microsoft Teams and exchanged e-mail correspondence between 22 March 2021 and 27 June 2021. These meetings/communications are detailed in Annexure B.

The meetings and communications outlined in Annexure B were for the purposes of:

- understanding and obtaining sufficient information about the Company and its financial position;
- discussions about the preparation of a Statement of Position, based on the Company's balance sheet, so that the Company could assess its wind down alternatives;
- explaining the various forms of wind down options available, outlining the process and the consequences of each alternative; and
- for us to provide a Consent to Act.

We received \$35,000 (excluding GST) for the work performed prior to our appointment. This fee was paid by the ultimate holding company, Invesus. The funding was provided to FTI Consulting directly by Invesus and the Company did not have recourse to these funds, and the funds were only payable for the benefit of FTI Consulting and could not have been applied by the Company to pay any of its other creditors. The amount paid to FTI Consulting did not increase the indebtedness of the Company, and did not otherwise decrease the assets available to the creditors of the Company.

In our opinion, our pre-appointment engagement with the Company and the remuneration received does not affect our independence for the following reasons:

- no advice has been given to the Company, its management or associates in relation to the Company's affairs, or the Company's solvency. The work performed related solely to understand the financial affairs and operations of the Company and to assist in calculating the Statement of Position based on the Company's balance sheet, so the Company could assess the wind down options available;
- the Courts and relevant professional bodies recognise the need to provide advice on the orderly wind down process and options available to assist with pre-liquidation planning and do not consider that such engagements result in a conflict, or are an impediment to accepting the appointment;
- no advice has been given to the former director, Shlomo Yoshai, in his capacity as director of the Company or in relation to his personal circumstances;
- the pre-appointment work will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the appointment as Liquidators of the Company in an objective and impartial manner;
- the pre-appointment work is no impediment to the Liquidators' appointment as the nature of work performed would not be subject to review and challenge during the course of the liquidation; but the knowledge gained and understanding of the Company's business from the pre-appointment work would be a benefit to creditors instead due to the increased cost and time efficiency; and
- the Federal Court of Australia ("Court") has reviewed our submissions to wind up the Company under section 459A of the Corporations Act 2001 (Cth) ("the Act"), including our pre-appointment report to the Company and has not identified any independence issues.

We have provided no other information or advice to the Company, its director and advisors prior to our appointment beyond that outlined in this DIRRI.

## Declaration of Relationships

**Within the previous 2 years we or our firm have had a relationship with:**

The Company	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<p>On 27 June 2021, Daniel Woodhouse and Nathan Stubing of FTI Consulting, were appointed as joint and several Liquidators of the Company in members voluntary liquidation ("MVL").</p> <p>During the MVL, we have undertaken the following work:</p> <ul style="list-style-type: none"> <li>■ took control of the Company and notified staff regarding our appointment and impact of the liquidation process;</li> <li>■ conducted searches and undertook preliminary investigations into the affairs of the Company;</li> <li>■ liaised with the former director and Invesus about the Company, the events leading up to the appointment and funding to pay creditors;</li> </ul>

- collected the Company's physical records and liaised with the Company's information technology team in Bulgaria to collect electronic data;
- attended to realisation of recoverable assets;
- had discussions with the Australian Securities and Investments Commission and Australian Financial Complaints Authority;
- corresponded with investors and attended to external enquiries; and
- corresponded with debtors and recovered amounts owed.

We believe that this relationship does not result in a conflict of interest or duty and will be beneficial to the conduct of the liquidation because:

- section 496 of the Act requires liquidators undertaking an MVL to move the company into an insolvent liquidation as soon as practicable, once they are of the opinion that the company is unable to pay or provide for the payment of its debts in full.
- it is contemplated and commercially beneficial to creditors for the liquidators undertaking the MVL to undertake the liquidation in an insolvent scenario as:
  - the work completed in the MVL has enabled us to understand the activities and financial position of the Company;
  - it will avoid any duplication of work already undertaken in the MVL, which has also provided an understanding of the potential recovery actions available for the benefit to creditors; and
- the Court has reviewed our submissions to wind up the Company under section 459A of the Act, including our pre-appointment report to the Company and has ratified our appointment.

The work conducted under the MVL to date has been conducted independently and will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with appointment as Liquidators of the Company in an objective and impartial manner.

The directors

☐ Yes      ☒ No

☒ Yes      ☐ No

Any associates of the Company?

Invesus is the ultimate holding company of the Company and the Company's sole member, Forex Capital Trading Limited ("Forex") (a company incorporated in Vanuatu).

On 30 June 2021, Invesus paid fees of \$35,000 (plus GST) to FTI Consulting for the pre-liquidation planning work performed pursuant to the deed of financial support executed between the Company, Invesus and Forex, the Company's sole member, on 26 June 2021 (i.e. prior to our appointment) ("Deed").

On 2 July 2021, in our capacity as Liquidators of the Company, we issued a written demand for \$477,288 owed by Invesus to the Company under the Deed. It was paid to fund the MVL and pay all known creditors at that time. The payment was paid by Invesus and received by the Company on 4 August 2021.

This relationship does not result in a conflict of interest or duty because:

- the correspondence with Invesus was limited for the purpose of requesting funding and to discuss the liquidation;
- the \$35,000 was provided to FTI Consulting directly by Invesus and the Company did not have recourse to these funds, and the funds were only payable for the benefit of FTI Consulting and could not have been applied by the Company to pay any of its other creditors. Furthermore, the payment by Invesus to FTI Consulting was not dependent on any given outcome.
- in accordance with the terms of the Deed, the amount paid to FTI Consulting did not increase the indebtedness of the Company, and did not otherwise decrease the assets available to the creditors of the Company;
- the \$477,288 was paid by Invesus to the Company to fund the MVL and increased the pool of funds available to meet the claims of creditors; and
- this relationship does not influence our ability to be able to comply with the statutory and fiduciary obligations associated with the appointment as Liquidators of the Company in an objective and impartial manner.

☒ Yes      ☐ No

On 27 June 2021, Daniel Woodhouse and Nathan Stubing of FTI Consulting, were appointed as joint and several Liquidators of the Company in MVL

Daniel Woodhouse, Nathan Stubing and Ross Blakeley of FTI Consulting are now acting as joint and several Liquidators of the Company in a court liquidation.

We believe that this relationship does not result in a conflict of interest or duty and will be beneficial to the conduct of the liquidation because:

- Section 496 of the Act requires liquidators undertaking an MVL to move the company into an insolvent liquidation as soon as practicable, once they become aware that the company is unable to pay its debts in full.
- it is contemplated and commercially beneficial to creditors for the liquidators undertaking the MVL to undertake the liquidation in an insolvent scenario; as:

A former insolvency practitioner appointed to the Company?

- the work completed in the MVL has enabled us to understand the activities and financial position of the Company;
- it will avoid any duplication of work already undertaken in the MVL, which has also provided an understanding of the potential recovery actions available for the benefit to creditors; and

the Court has reviewed our submissions to wind up the Company under section 459A of the Act, including our pre-appointment report to the Company and has ratified our appointment; and

- this work will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with appointment as Liquidators of the Company in an objective and impartial manner.

A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company's property?

☐ Yes ☒ No

### Do we have any other relationships that we consider are relevant to creditors assessing our independence?

☐ Yes ☒ No

### Indemnities and up-front payments

We have not received any up-front payments or indemnities for this appointment. This does not include any indemnities we may be entitled to under the law.

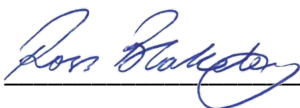
Dated 10 December 2021



Daniel Woodhouse



Nathan Stubing



Ross Blakeley

**Notes:**

1. *The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional Standards.*
2. *If circumstances change, or new information is identified, we are required under the Corporations Act 2001 or Bankruptcy Act and ARITA's 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. For creditors' voluntary liquidations and voluntary administrations, this document and any updated versions of this document are required to be lodged with ASIC.*

## ANNEXURE A

### FTI Consulting (Australia) Pty Ltd and associated entities

FTI Consulting Inc (ultimate holding entity)

FTI Consulting – FD Australia Holdings Pty Ltd

FTI Consulting (Australia) Pty Ltd

FTI Technology (Sydney) Pty Ltd

FTI Consulting (Perth) Pty Ltd

FTI Consulting (Sydney) Pty Ltd

FTI Capital Advisors (Australia) Pty Ltd

FTI Consulting Australia Nominees Pty Ltd



## Annexure B

### Interactions between FTI Consulting staff and Company representatives/other third parties during the period 22 March 2021 to 27 June 2021

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
22/3/2021	Telephone call	Daniel Woodhouse	Mark Gillgren	<ul style="list-style-type: none"> <li>Mark Gillgren requested a fee quote in relation to wind down alternatives and a potential safe harbour engagement.</li> </ul>
22/3/2021 26/3/2021	E-mail (x4)	Daniel Woodhouse Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Lara Gotti	<ul style="list-style-type: none"> <li>FTI Consulting provided fee quote and proposal to provide advice on the orderly wind down process and options available to assist the pre-liquidation planning, including safe harbour.</li> </ul>
31/3/2021	Conference call	Daniel Woodhouse	Amelia Hirst Mark Gillgren Kirsten Scott Hananel Levi Eyal Levy Shlomo Yoshai	<ul style="list-style-type: none"> <li>Introduction and discussion about the Company's background and the proposal provided by FTI Consulting. For the avoidance of doubt, the Company did not proceed with this proposal and no work was undertaken.</li> </ul>
7/4/2021	E-mail (x2)	Daniel Woodhouse Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Lara Gotti	<ul style="list-style-type: none"> <li>Clifford Chance, on behalf of the Company, requested a revised fee proposal in relation to the pre-liquidation planning and the liquidation of the Company. This proposal did not include safe harbour.</li> </ul>
9/4/2021	E-mail (x3)	Daniel Woodhouse Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Lara Gotti	<ul style="list-style-type: none"> <li>FTI Consulting provided the fee quote and proposal for advice on orderly wind down process and options available to assist the pre-liquidation planning.</li> </ul>
25/4/2021	E-mail (x1)	Daniel Woodhouse Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Lara Gotti Alexandra Zhu	<ul style="list-style-type: none"> <li>Clifford Chance provided the requested Company's financial information and specific records required to commence the pre-liquidation planning work.</li> </ul>

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
26/4/2021	Conference call	Daniel Woodhouse Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>Call to discuss the acceptance of the proposal and next steps, including drafting the Engagement Letter.</li> </ul>
26/4/2021	E-mail (x3)	Daniel Woodhouse Jiin Choong Renae Stirling	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Lara Gotti Alexandra Zhu	<ul style="list-style-type: none"> <li>E-mail exchange between FTI Consulting and Clifford Chance to arrange meeting to commence engagement.</li> </ul>
26/4/2021	Microsoft Teams	Daniel Woodhouse Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>Discussed and obtained information regarding the Company's financial position.</li> </ul>
30/4/2021 3/5/2021 5/5/2021 6/5/2021 7/5/2021	E-mail (x7)	Daniel Woodhouse Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Lara Gotti Alexandra Zhu	<ul style="list-style-type: none"> <li>FTI Consulting issued and discussed Letter of Engagement, requested for company information required to undertake the calculation of the statement of position based on the Company's balance sheet and pre-liquidation planning.</li> </ul>
10/5/2021	E-mail (x1)	Daniel Woodhouse Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott	<ul style="list-style-type: none"> <li>Clifford Chance returned the executed the Letter of Engagement to FTI Consulting.</li> </ul>
11/5/2021 12/5/2021 14/5/2021 19/5/2021 20/5/2021 21/5/2021	E-mail (x9)	Daniel Woodhouse Renae Stirling Jiin Choong Olivia Cookson	Amelia Hirst Mark Gillgren Tim Grave Sherry Khalili Lara Gotti Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>FTI Consulting received financial information about the Company, which was uploaded on Dropbox, ongoing correspondence to address queries and further information request to undertake the pre-liquidation planning.</li> </ul>
24/5/2021 25/5/2021 26/5/2021	E-mail (x5)	Daniel Woodhouse Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Tim Grave Kirsten Scott Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>Discussed outstanding statutory lodgements, employee entitlements, amount owing by a related entity and lease make good quotes.</li> </ul>

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
26/5/2021	Microsoft Teams	Daniel Woodhouse Renae Stirling Jiin Choong Olivia Cookson	Mike Schilling Amelia Hirst	<ul style="list-style-type: none"> <li>FTI Consulting sought clarification from the Company's financial controller on the financial information provided.</li> </ul>
31/5/2021	Microsoft Teams E-mail (x1)	Daniel Woodhouse Renae Stirling Jiin Choong Olivia Cookson	Amelia Hirst Mark Gillgren Lara Gotti	<ul style="list-style-type: none"> <li>Discussion with Clifford Chance in relation to the draft statement of position, based on the Company's balance sheet, and the orderly wind down options available.</li> </ul>
2/6/2021	Microsoft Teams	Daniel Woodhouse Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Sherry Khalili Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>Discussed the statement of position calculated based on the Company's balance sheet and breakdown of assets and liabilities.</li> </ul>
3/6/2021	E-mail (x3)	Daniel Woodhouse Jiin Choong Renae Stirling Olivia Cookson	Mark Gillgren Amelia Hirst Sherry Khalili	<ul style="list-style-type: none"> <li>FTI Consulting provided draft estimated statement of position based on the Company's balance sheet.</li> </ul>
3/6/2021 4/6/2021	E-mail (x6)	Jiin Choong	Mike Schilling	<ul style="list-style-type: none"> <li>Received additional information from Mike Schilling for the report and potential liquidation.</li> </ul>
4/6/2021	Microsoft Teams E-mail	Renae Stirling Jiin Choong	Mike Schilling	<ul style="list-style-type: none"> <li>Received an estimated statement of position prepared by the Company from Mike Schilling</li> <li>Discussed the most recent accounts and addressed specific queries prior to finalising the report and potential liquidation.</li> </ul>
7/6/2021	E-mail (x2)	Daniel Woodhouse Renae Stirling Jiin Choong	Mike Schilling	<ul style="list-style-type: none"> <li>FTI Consulting provided draft report based on the most recent accounts for factual review.</li> </ul>
8/6/2021 9/6/2021	E-mail (x3)	Jiin Choong	Mark Gillgren Amelia Hirst Sherry Khalili Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>FTI Consulting received the revised accounts and factual accuracy comments on report from the Company.</li> </ul>

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
9/6/2021	E-mail (x1)	Daniel Woodhouse Renae Stirling Jiin Choong Olivia Cookson	Amelia Hirst Mark Gillgren Sherry Khalili Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>FTI Consulting issued the report in final outlining the calculation of statement of position based on the Company's balance sheet, wind down options available and consequences of each option.</li> </ul>
21/6/2021 22/6/2021	E-mail (x5)	Daniel Woodhouse Nathan Stubing Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren	<ul style="list-style-type: none"> <li>FTI Consulting provided the signed Consent to Act and pre-appointment remuneration disclosure report.</li> </ul>
23/6/2021) 24/6/2021 25/6/2021	E-mail (x5)	Daniel Woodhouse Jiin Choong Renae Stirling Nathan Stubing	Amelia Hirst Mark Gillgren Tim Grave Lara Gotti Shlomo Yoshai Mike Schilling	<ul style="list-style-type: none"> <li>E-mail correspondence exchanged regarding the revised Declaration of Solvency and breakdown of assets and liabilities.</li> </ul>
24/6/2021	Microsoft Teams	Daniel Woodhouse Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Lara Gotti Shlomo Yoshai Mike Schilling Leonidas Demetriou Theodora Theophanous	<ul style="list-style-type: none"> <li>Discussed the timing of liquidation, draft Declaration of Solvency and statement of assets and liabilities position prepared by the Company.</li> </ul>
26/6/2021	E-mail (x3)	Daniel Woodhouse Nathan Stubing Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Lara Gotti Tim Grave	Clifford Chance provided the Declaration of Solvency and necessary appointment documents to commence the MVL.

Date	Medium	FTI Consulting attendees	External attendees	Agenda/purpose/discussion
27/6/2021	E-mail (x1)	Daniel Woodhouse Nathan Stubing Renae Stirling Jiin Choong	Amelia Hirst Mark Gillgren Lara Gotti Tim Grave	<p>During the MVL, we have undertaken the following work:</p> <ul style="list-style-type: none"> <li>■ took control of the Company and notified staff regarding our appointment and impact of the liquidation process;</li> <li>■ conducted searches and undertook preliminary investigations into the affairs of the Company;</li> <li>■ liaised with the former Director and Invesus about the Company, the events leading up to the appointment and funding to pay creditors;</li> <li>■ collected the Company's physical records and liaised with the Company's information technology team in Bulgaria to collect electronic data;</li> <li>■ attended to realisation of recoverable assets;</li> <li>■ had discussions with the Australian Securities and Investments Commission and Australian Financial Complaints Authority;</li> <li>■ corresponded with former clients and attended to external enquiries; and</li> <li>■ corresponded with debtors and recovered amounts owed.</li> </ul>

## Non FTI Consulting staff positions held at the date of interactions

Name	Position/title held	Representing
Mark Gillgren	Partner – Clifford Chance	the former Director
Tim Grave	Partner – Clifford Chance	the former Director
Amelia Hirst	Associate – Clifford Chance	the former Director
Kirsten Scott	Counsel – Clifford Chance	the former Director
Lara Gotti	Senior Associate – Clifford Chance	the former Director
Shlomo Yoshai	Former Director	the Company
Mike Schilling	Financial Controller	the Company
Hananel Levi		Invesus
Eyal Levy		Invesus