

**NSW ICAC
EXHIBIT**

Kevin McCarthy

14 February 2013

Phillip Johns

COO UGL Rail

Level 7, 40 Miller st

North Sydney

KMc Personal Incident Notification

Phillip

The letter is to notify and explain a personal incident that I have become aware of at 6.00pm on 14 February 2013, which could have the potential for consideration by UGL.

In the period between October 2012 and February 2013, I have lent money to a good friend to assist his daughter through a time of difficulty. My friends name is Joe Camilleri and Joe is employed with RailCorp a customer of UGL.

The loan has been made purely at a personal level, to a good friend that I have known for 20 years, and in no way has the loan been related to commercial transactions between UGL and RailCorp, nor has the loan in any way been made to secure any commercial advantage for UGL or RailCorp in any dealings as supplier and customer.

During the L3C tender process, which concluded in December 2011 (10 months prior to my loan to Joe) both Joe and myself were deeply involved, but our personal relationship was in no way used to secure any advantage to UGL and in fact due to our awareness of probity during this tender, we both positively sort to not have any contact with each other during the tender period either on a personal level or in any situation outside of the process which was under strict probity control by independent probity auditors.

The incident that occurred on 14 February is related to the termination of Joe Camilleri's employment, by RailCorp, on the basis of breach of employment conditions relating to securing funds from a "supplier" of RailCorp.

The allegation of some form of corruption by the RailCorp employee, would also infer that there was corruption by a UGL employee. It is for this reason that this letter of notification has been drafted.

I wish to inform and ensure UGL, that there has been no form of corruption that have occurred or should be inferred by the personal loan situation described. Given the sensitivity of corruption related to state government transactions, both Joe and I are very aware of our obligations and I personally pride myself in being a person of impeccable integrity.

I am open to any discussion or level of investigation that the company would like to undertake, to also confirm the utmost integrity within this awkward situation.

I also note that I informed you via a phone call, immediately following my knowledge of Joe's termination at 7.00pm on 14 February 2013.

Regards

Kevin McCarthy

GM Tenders & Projects

UGL Rail, Passenger