



Marine & Civil Pty Ltd (Administrators Appointed)

ACN 147 854 635

(Marine & Civil)

Circular to Creditors

We refer to our previous correspondence regarding the appointment of Rob Brauer and I as Voluntary Administrators of Marine & Civil on 10 July 2018, and the extension of the convening period for the second meeting of creditors granted by the Supreme Court of Western Australia (**Court**) to 18 September 2018.

Update on administration

The extension of the convening period was sought to allow the Administrators to continue negotiations with interested parties in respect of the sale and/or recapitalisation of Marine & Civil.

Per my previous correspondence, neither a Final Binding Offer for the sale of the assets and operations of Marine & Civil or a recapitalisation proposal via a Deed of Company Arrangement was received. Accordingly all operations of Marine & Civil have now ceased.

Subsequent to the decision to cease Marine & Civil's operations, an earlier application to wind up the company which was adjourned by consent, was heard by the Court resulting in Marine & Civil being placed into liquidation on 21 August 2018, with Rob Brauer and I being appointed Liquidators of the company.

What happens next?

Now Marine & Civil is in liquidation, a second meeting of creditors will no longer be held. The Liquidators will however issue a report to all creditors on or around 21 September 2018, into Marine & Civil's affairs and next steps in relation to the liquidation of the company including:

- winding up the affairs of Marine & Civil;
- recovering, selling and distributing any available property;
- investigating Marine & Civil's affairs;
- if identified, pursuing any viable claims for statutory recovery actions; and
- reporting to the corporate regulator, the Australian Securities and Investments Commission (**ASIC**).

Your rights as a creditor

We enclose a copy of the information sheet "Creditor Rights in Liquidations" issued by the Australian Restructuring Insolvency & Turnaround Association (**ARITA**). It includes information on your rights to:

- make reasonable requests for a meeting;
- make reasonable requests for information;
- give directions to the Liquidators;
- appoint a reviewing liquidator; and
- replace us as Liquidators.

**What happens to your debt?**

All creditors of Marine & Civil are now creditors in the liquidation and your pre-appointment debt will now be dealt with in the liquidation.

At this stage, it is too early to say if funds will become available to unsecured creditors and we will write to you again in due course with further information on the progress of the liquidation.

Further information

A copy of the information sheet, "Insolvency information for directors, employees, creditors and shareholders", issued by the Australian Securities & Investments Commission (**ASIC**) is also enclosed for your information.

If you have any queries, please contact Chintu Munohur of my staff on (08) 6363 7614.

Thank you in advance for your cooperation.

Dated: 23 August 2018

Rob Kirman
Liquidator

Enclosures:

- 1 ARITA Information Sheet - Creditor Rights in Liquidation
- 2 ASIC "Insolvency information for directors, employees, creditors and shareholders" information sheet

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

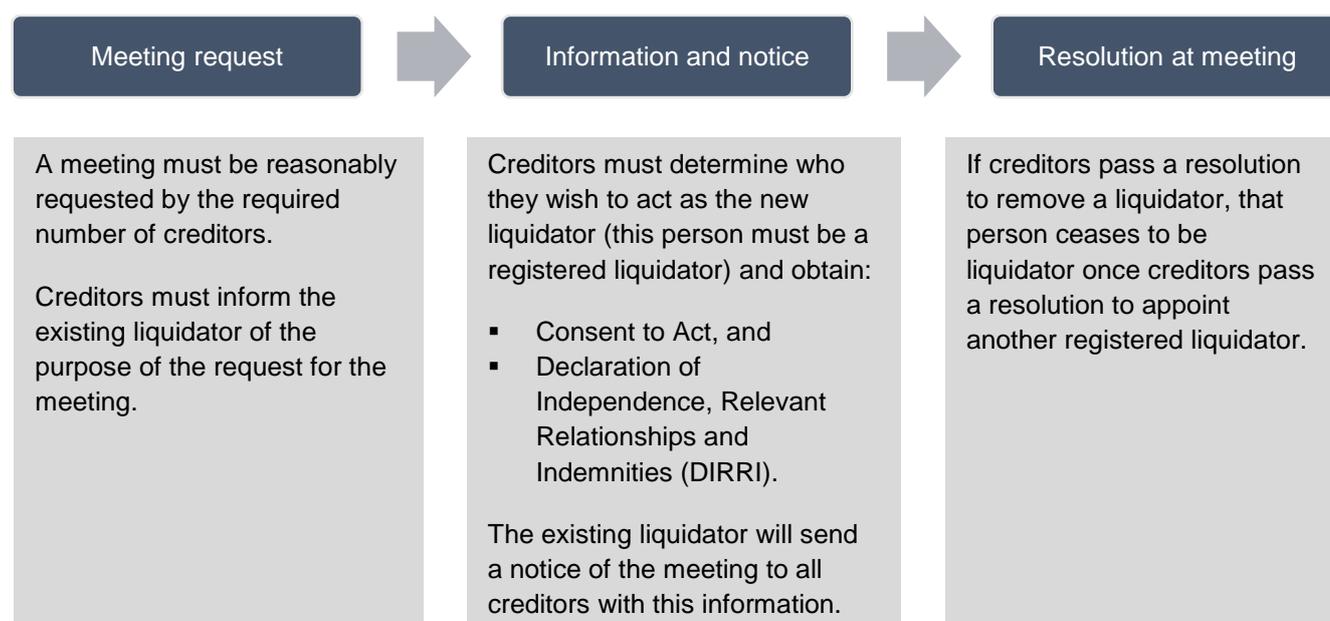
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

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