



Sound Diagnostics Pty Ltd (Administrators Appointed) (Controllers Appointed)
ACN 116 377 201
(Sound Diagnostics)
Circular to Suppliers

Rob Kirman and Matthew Caddy were appointed joint and several Administrators of Sound Diagnostics on 25 May 2020 (**Administrators**).

Immediate objectives

The Administrators have assumed control of Sound Diagnostics' affairs and have entered into possession of its assets. It is our intention to continue trading Sound Diagnostics on a 'business as usual' basis while we undertake an urgent assessment to determine the best course of action to preserve its business.

Continuing to trade

The Administrators would appreciate you making goods and services available to Sound Diagnostics on your usual trading terms when requested by me or my authorised representatives. All supplies made against duly authorised purchase orders dated 25 May 2020 and beyond will be paid in full on normal terms.

Procedures for ongoing supply

Please adopt the following procedure for Sound Diagnostics' account:

- close your existing account as at the date of our appointment, being 25 May 2020; and
- open a new account in the name of "Sound Diagnostics Pty Ltd (Administrators Appointed) (Controllers Appointed)".

All purchase orders must be signed by the Administrators, or one of the authorised personnel whose specimen signatures appear on the schedule enclosed with this circular. Please do not deliver goods or services without a signed purchase order as this may affect payment for the goods or services by the Administrators.

Payments made by the Administrators must be applied against debts incurred by the Administrators and cannot be applied against any pre-appointment debt owed to you by Sound Diagnostics.

Additionally, if you are currently a customer of Sound Diagnostics as well as a creditor, any goods or services supplied to you by Sound Diagnostics following our appointment must be paid for in full in accordance with Sound Diagnostics' normal trading terms. Any goods or services provided by Sound Diagnostics are provided in accordance with the above condition.

Please note:

- If there are any outstanding or unfulfilled orders placed by Sound Diagnostics prior to our appointment, including those under which there are goods in transit, please contact Antoine Cleuet on (08) 6363 7635 as a matter of urgency to ascertain whether the goods or services are still required by the Administrators. These orders should not be completed unless confirmed in writing in accordance with the above authorisation procedure.
- The Administrators do not personally adopt any contract that exists, or may have existed, between you and Sound Diagnostics at the date of appointment of the Administrators. Payment for any goods or services by the Administrators is not an adoption of a contract or liability.
- Any further credit properly incurred for goods and services supplied on the new account will be a liability of the Administrators.
- Under taxation legislation, we are obliged to withhold 46.5% from payments to suppliers who do not quote a current Australian Business Number (ABN). Please ensure that a current ABN is quoted for each supply made by you.



- Input tax credits for payments made to registered suppliers cannot be claimed until a valid tax invoice has been received. Accordingly, suppliers must provide a valid tax invoice for GST purposes before payment will be made.

Privacy and Personal Information

We may collect personal information from you, Sound Diagnostics or otherwise, in connection with your trading arrangements with Sound Diagnostics. McGrathNicol takes all reasonable steps to protect the information that we hold (including personal information) from misuse, loss and from unauthorised access, modification or disclosure. Our Privacy Policy can be found on the McGrathNicol website.

Pre-appointment debts

Amounts owed by Sound Diagnostics prior to 25 May 2020 remain a liability of Sound Diagnostics and are not payable by the Administrators. These debts represent an unsecured claim against Sound Diagnostics and payment is dependent upon the outcome of the administration.

At this stage, it is too early to say if funds will become available to unsecured creditors.

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 Antoine Cleuet on (08) 6363 7635. For further information about this engagement, please refer to the website www.mcgrathnicol.com/creditors.

Thank you in advance for your cooperation.

Dated: 25 May 2020

Rob Kirman
Administrator

Enclosures:

- 1 Schedule of authorised signatories for orders
- 2 ASIC "Insolvency information for directors, employees, creditors and shareholders" information sheet



Sound Diagnostics Pty Ltd (Administrators Appointed)
ACN 116 377 201
(Sound Diagnostic)

Schedule of authorised signatories for orders

.....
Rob Kirman (Unlimited)

.....
Matthew Caddy (Unlimited)

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Mark Knight (up to \$100,000)

.....
Magnus Howie (up to \$50,000)



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- 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 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.