

# **MRI HOLDINGS LIMITED**

**ABN 39 007 871 963**

***Registered Office***

Level 2

395 Collins Street

MELBOURNE VIC 3000

***Telephone:*** 03 9620 0033

***Facsimile:*** 03 9620 0070

Postal Address:

PO Box 253, Collins Street West

MELBOURNE VIC 8007

1 April 2010

Australian Stock Exchange  
Company Announcements


## **RE: Notice of Meeting – General Meeting**

The company advises that a Notice of General Meeting, Explanatory Notes and Proxy Form have been dispatched to shareholders today.

The purpose of the General Meeting is to seek shareholder approval for the Voluntary Liquidation of the Company and return the assets to shareholders in cash.

Further, the Company's annual report will be delayed due to the fact that the financial report must now be prepared on a liquidation basis rather than going concern basis. It is expected that the financial report for the year ended 31 December 2009 will be released within the next fortnight.

Yours faithfully,



Andrew Draffin  
Company Secretary  
MRI Holdings Limited

# Notice of General Meeting

MRI Holdings Limited  
ACN 007 871 963

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Date: 29 April 2010  
Time: 10.00 am (AEST)  
Place: Minter Ellison Lawyers  
Level 23, 525 Collins Street Melbourne VIC

## Important notice

In this document you will find:	Page No.
1. A letter from the Chairman.	
2. Notice of General Meeting.	
3. Proxy form.	
4. Explanatory Notes containing an explanation of, and information about, the resolutions to be considered at the Meeting, relating to the proposed voluntary winding up of MRI Holdings Limited.	

Shareholders should read this document in full.

This document is dated 31 March 2010.

# MRI HOLDINGS LIMITED

ABN 39 007 871 963

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395 Collins Street  
MELBOURNE VIC 3000  
Telephone: 03 9620 0033  
Facsimile: 03 9620 0070  
Postal Address:  
PO Box 253  
COLLINS STREET WEST VIC 8007

31 March 2010

Dear Shareholder,

Enclosed you will find a notice convening a general meeting of MRI Holdings Limited (**MRI Holdings** or the **Company**) to consider the voluntary winding up of the Company (**Meeting**), together with a proxy form and explanatory notes. The Meeting will be held on 29 April 2010 at the offices of Minter Ellison, Lawyers, Level 23, 525 Collins Street, Melbourne commencing at 10.00 am (AEST).

Shares in MRI Holdings Limited (**MRI Shares**) were suspended from official quotation on ASX on 26 April 2007. MRI Holdings' assets consist primarily of cash reserves, totalling \$15,510,000 as at the date of the Company's last accounts (31 December 2009). As at 31 December 2009, the net tangible asset backing of MRI was 34.15 cents per MRI Share. Since the suspension of MRI Shares from trading, the directors have been actively exploring opportunities for the Company to best utilise its cash assets and provide investors with access to their investment.

Following consideration of these various alternatives, the directors of MRI Holdings have resolved that a members' voluntary winding up is the most efficient course to take to achieve these goals.

Your Directors unanimously endorse the voluntary liquidation of MRI Holdings Limited and **recommend that MRI Shareholders vote in favour of the resolutions** required to approve and implement the voluntary winding up.

In forming this recommendation, your Directors have carefully considered:

- various alternatives to unlock the value in MRI Holdings and best utilise the cash assets, including the costs, potential benefits and risks of these proposals;
- the benefit of distributing all cash assets (after expenses) to shareholders without the risks that may be associated with alternate proposals of decreasing the Company's value; and
- the benefit of providing shareholders with access to their investment.

Each of your Directors with an interest in the Company's shares intends to vote all shares they hold or in which they otherwise have a relevant interest in favour of all the resolutions required to approve the voluntary winding up of MRI Holdings Limited.

The enclosed explanatory notes contain full details of the proposal, including the process involved in effecting a voluntary winding up. These materials will assist you in making an informed decision on how to vote at the meeting. I encourage you to read the explanatory notes carefully and to vote at the meeting, either in person or by proxy.

On behalf of the MRI Board, I would like to take this opportunity to thank you once again for your support of MRI Holdings Limited.

Yours sincerely

Allan Yap

Chairman

# Questions & Answers

Set out below are summary answers to some questions that shareholders in MRI Holdings Limited (**MRI Shareholders**) may have in relation to the proposed voluntary liquidation of MRI Holdings Limited (**Voluntary Winding Up**).

The summary answers below do not address all issues that are likely to be relevant to MRI Shareholders. Accordingly, these Questions and Answers should be read together with the more detailed information provided in the Notice of General Meeting and the Explanatory Notes.

## Voluntary Winding Up – Your Questions Answered

	<b>Question</b>	<b>Answer</b>
1	<b>What is the Voluntary Winding Up?</b>	When a company is solvent, its members may, by special resolution, resolve to wind up the company. This involves discharging all liabilities of the company and distributing all assets of the company to its members.
2	<b>What is the rationale for the Voluntary Winding Up?</b>	The proposed Voluntary Winding Up will provide MRI Shareholders with access to their investment in MRI and allow MRI Shareholders to receive a cash distribution.
4	<b>When is the Voluntary Winding Up expected to complete?</b>	It is anticipated that the completion of the voluntary liquidation process will occur within a 12 month period from the appointment date of the liquidator.
5	<b>What will happen if shareholders do not approve the Voluntary Winding Up?</b>	If MRI Shareholders do not approve the Voluntary Winding Up: <ul style="list-style-type: none"><li>• MRI Shares will remain suspended from trading on the ASX; and</li><li>• MRI directors will continue to pursue opportunities to best utilise the cash assets and unlock the value in the Company for the benefit of MRI Shareholders. However, there can be no guarantee that an alternative proposal will eventuate in the short to medium term.</li></ul>
6	<b>Are there any potential disadvantages associated with the Voluntary Winding Up?</b>	Yes. Please refer to page 10 of this booklet for an outline of the possible disadvantages and risks. However, your Directors consider that the expected advantages of the Voluntary Winding Up outweigh its possible disadvantages and risks.
7	<b>What do the Directors recommend that I do?</b>	Your Directors unanimously recommend that you vote in favour of the resolutions to approve the Voluntary Winding Up. Each Director who holds MRI Shares intends to vote all of those shares in favour of these resolutions. The Chair of the Meeting intends to vote undirected proxies in favour of each of the resolutions.

# Notice of General Meeting

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Notice is given that a general meeting of shareholders of MRI Holdings Limited ACN 007 871 963 (**MRI Holdings** or **the Company**) will be held on 29 April 2010 at the Minter Ellison, Lawyers, 525 Collins Street, Melbourne commencing at 10.00am (AEST).

## Business

### 1. Voluntary Winding Up of MRI Holdings

To consider and, if thought fit, to pass the following resolution as a special resolution:

*'That, in accordance with divisions 1 and 2 of Part 5.5 of the Corporations Act 2001 (Cth), MRI Holdings Limited be wound up voluntarily.'*

### 2. Appointment of liquidator

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That Andrew Stewart Reed Hewitt of Grant Thornton, Level 2, 215 Spring Street, Melbourne, Victoria, be appointed Liquidator for the purposes of the members' voluntary winding up.'*

### 3. Liquidator's Remuneration

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That the remuneration of the Liquidator be calculated using the Grant Thornton scale of rates applied to the time occupied by the Liquidator and persons in his employ or in the employ of Grant Thornton, with any relevant goods and services tax levied in addition to this amount.'*

### 4. Destruction of Books and Records

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'That the Liquidator is hereby authorised to destroy the books and records of the Company six months after the date of the Company's deregistration subject to the consent of the Regional Commissioner of the Australian Securities & Investments Commission in accordance with section 542(4) of the Corporations Act 2001 (Cth).'*

## By order of the Board

Date 20 March 2010

Signed 

Name Andrew Draffin  
Company Secretary

# Explanatory notes for the General Meeting

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## **Voting entitlements**

Each person who is registered on the MRI Holdings Share Register as the holder of MRI Shares at 10.00am pm (AEST) on 27 April 2010 (**MRI Shareholder**) is entitled to attend and vote at the Meeting, either in person, by proxy or attorney or, in the case of a corporate MRI Shareholder, by a personal representative.

## **Required voting majorities**

In accordance with the *Corporations Act 2001*(Cth) (**Corporations Act**), the resolutions at this Meeting are proposed as a special resolution (Item 1) and an ordinary resolution (Items 2, 3 and 4).

- Item 1 – Voluntary Winding Up of MRI Holdings is proposed as a special resolution. The passage of this resolution requires the approval of at least 75% of votes cast by MRI Shareholders present and voting at the Meeting, whether in person, by proxy or attorney or, in the case of a corporate MRI Shareholder or proxy, by a natural person representative.
- Item 2, 3 & 4 – Appointment of the Liquidator, approval of Liquidator's Remuneration and approval of the destruction of the Company's books and records are proposed as ordinary resolutions. The passage of these resolutions requires the approval of more than 50% of votes cast by MRI Shareholders present and voting at the Meeting, whether in person, by proxy or attorney or, in the case of a corporate MRI Shareholder or proxy, by a natural person representative.

## **How to vote**

MRI Shareholders entitled to vote at the Meeting may vote:

- by attending the Meeting and voting in person; or
- by appointing an attorney to attend the Meeting and vote on their behalf, or, in the case of corporate MRI Shareholders or proxies, by appointing a corporate representative to attend the Meeting and vote on its behalf; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this Notice. A proxy may be an individual or a body corporate. However, where a proxy is a body corporate, that body corporate must appoint a corporate representative to attend the Meeting and vote on its behalf.

## **Voting in person at the Meeting**

To vote in person, you or your proxy, attorney, representative or corporate proxy representative must attend the Meeting to be held on 29 April 2010 at Minter Ellison Lawyers, Level 23, 525 Collins Street Melbourne, commencing at 10.00am (AEST).

MRI Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the Meeting and bring a form of personal identification (such as your driver's licence).

To vote by attorney at this meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by MRI Holdings by 10.00am on 27 April 2010 in any of the following ways:

**By post** to MRI Holdings:

c/o Draffin Walker  
Level 2, 395 Collins Street  
Melbourne VIC 3000

**By fax:** to +61 3 9620 0070

A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:

- died;
- became mentally incapacitated;
- revoked the proxy or power; or
- transferred the MRI Shares in respect of which the vote was cast,  
unless MRI Holdings received written notification of the death, mental incapacity, revocation or transfer before the Meeting.

**Voting by proxy**

MRI Shareholders wishing to vote by proxy at this Meeting must:

- complete and sign or validly authenticate the enclosed proxy form; and
- deliver the signed and completed proxy form by 10.00am on 27 April 2010 in accordance with the instructions below.

A person appointed as a proxy may be an individual or a body corporate.

An electronic authentication of an appointment of proxy must include a method of identifying the appointing MRI Shareholder and an indication of their approval of the information communicated.

**Submitting proxy votes**

MRI Shareholders wishing to submit proxy votes for the Meeting must return the enclosed proxy form to MRI Holdings in any of the following ways:

**By post** to MRI Holdings:

c/o Draffin Walker  
Level 2 395 Collins Street  
Melbourne VIC 3000

**By fax:** to +61 3 9620 0070

**Note:** proxies may not be returned by email, nor is internet based voting possible.

**Notes for proxy appointments**

A proxy:

- may be an individual or a body corporate; and

- need not be a MRI Shareholder.

A proxy that is a body corporate may appoint a representative to exercise the powers that the body corporate may exercise as the MRI Shareholder's proxy.

A proxy may vote or abstain as he or she chooses except where the appointment of the proxy directs the way the proxy is to vote on a particular resolution. If an appointment directs the way the proxy is to vote on a particular resolution:

- if the proxy is the chair – the proxy must vote on a poll and must vote in the way directed; and
- if the proxy is not the chair – the proxy need not vote on a poll, but if the proxy does so, the proxy must vote in the way directed.

A MRI Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote at the meeting on that MRI Shareholder's behalf. If a MRI Shareholder appoints two proxies and the appointment does not specify the proportion or number of the MRI Shareholder's votes each proxy may exercise, each proxy may exercise half the votes.

If a proxy appointment is signed or validly authenticated by the MRI Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Company secretary.

If:

- a MRI Shareholder nominates the chairman of the meeting as the MRI Shareholder's proxy; or
  - the chairman is to act as proxy if a proxy appointment is signed by a MRI Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the proxy form,
- then the person acting as chairman in respect of an item of business at the Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chairman of the Meeting, the Company Secretary or any Director which do not contain a direction will be voted in support of the resolutions.

### **Voting by corporate representatives**

To vote in person at the Meeting, a MRI Shareholder or proxy which is a body corporate must appoint an individual to act as its representative.

To vote by corporate representative at the Meeting, a corporate MRI Shareholder should obtain an appointment of corporate representative form from MRI Holdings, complete and sign the form in accordance with the instructions on it. The appointment should be lodged at the registration desk on the day of the Meeting.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

The chairman of the Meeting may permit a person claiming to be a representative to exercise the body's powers even if he or she has not produced a certificate or other satisfactory evidence of his or her appointment.



# Explanatory Notes

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These Explanatory Notes are intended to provide MRI Shareholders with information to assess the merits of the proposed resolutions to be considered at the Meeting.

The Directors recommend that MRI Shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions.

## Summary of proposed Voluntary Winding Up – Item 1

### Introduction

The Directors have resolved that it is in the best interests of MRI Shareholders to appoint a liquidator to effect the voluntary winding up of MRI Holdings.

The process for winding up a solvent company is prescribed in Part 5.5 of the Corporations Act. The Directors of MRI Holdings have made a declaration that the Company is solvent, and if Resolution 2 is passed, the Company will be subject to a members' voluntary winding up, and the liquidator will be appointed to carry out, but not limited to, the following tasks:

- realise the assets of MRI Holdings;
- call for creditors of the Company to come forward and state their claim;
- settle all creditor claims and outstanding liabilities of MRI Holdings;
- distribute surplus assets to MRI Shareholders in proportion to their shareholding; and
- dissolve registration of the Company.

### Overview of process

The particular requirements necessary for a members' voluntary winding up are set out in the Corporations Act. Prior to this Meeting, your directors and the management of MRI Holdings have completed the following:

- Prepared a statement as at 30 March 2010 recording:
  - the property of MRI Holdings and the total amount expected to be realised from that property;
  - the liabilities of MRI Holdings; and
  - the estimated expenses of concluding the winding up,

#### (Statement of Affairs);

- A majority of the directors have made a written declaration that they have made an inquiry into the affairs of MRI Holdings, and at a meeting of directors formed the opinion that MRI Holdings would be able to pay its debts in full within the 12 month period following commencement of winding up (**Declaration of Solvency**). The Statement of Affairs is attached to the Declaration of Solvency;
- The Declaration of Solvency and Statement of Affairs have been lodged with ASIC.

Following approval of the voluntary liquidation by a special majority of shareholders (75%) and appointment of the liquidator by a simple majority of shareholders (50%), the Directors cease their role and the Liquidator, with the assistance of employees of MRI Holdings, will give effect to the winding up. The additional steps that will be completed to bring about the voluntary winding up of MRI Holdings are outlined below.

Step	Timing
A copy of the shareholder resolutions approving the voluntary winding up is lodged with ASIC	Within seven days of the General Meeting
A notice of the appointment of the liquidator is lodged with ASIC	Within 14 days of the General Meeting
A copy of the resolution to wind up the Company is submitted for publication in the Commonwealth Government Gazette	Sent within 21 days of the General Meeting
A copy of the minutes of the General Meeting is lodged with ASIC	Within one month of the General Meeting
MRI Shareholders receive the liquidator's distribution	As soon as the affairs of the Company are wound up
Accounts are prepared showing how the winding up has been conducted and where the assets of MRI have been distributed	As soon as the affairs of the Company are wound up
An advertisement is published in the Commonwealth Government Gazette notifying the date, time, place and purpose of the final meeting of members	At least one month prior to final meeting of members
Members are notified of the date, time, place and purpose of the final meeting of members including a copy of the liquidator's accounts	At least 28 days prior to final meeting of members
Hold final meeting of members	
A return notifying of the holding of the final meeting of members and its date, and a copy of the winding up accounts is lodged with ASIC. Appointment of the liquidator ceases upon lodgement	Within seven days of the final meeting of members
MRI Holdings is automatically deregistered by ASIC	Three months after return of the holding of the final meeting of members is lodged with ASIC

If the appointment of the liquidator is for longer than 6 months, there are additional reporting and notification requirements.

### **Tax implications of Voluntary Winding Up**

If the Voluntary Winding Up is approved, there are likely to be taxation consequences for MRI Shareholders. MRI Shareholders should seek independent professional advice regarding the consequences for them of the Voluntary Winding Up.

### **Fees**

In addition to the remuneration payable to the liquidator (refer to attached Remuneration Report), there are certain others expenses that will be met out of the assets of MRI Holdings, prior to the final distribution to MRI Shareholders, including:

- fees to the legal advisors of MRI Holdings, Minter Ellison, estimated to be \$20,000; and

- administrative costs of calling and holding the various meetings, printing and postage costs are estimated to be \$4,500.

### **Possible disadvantages and risks of the proposed Voluntary Winding Up**

Your Directors have identified the following potential disadvantages and risks of the Voluntary Winding Up:

- there is a risk that there are creditors of MRI Holdings that the directors are not aware of, and so the assets available for distribution to MRI Shareholders may not be as high as currently anticipated; and
- there is no guarantee as to the timing of any distribution to shareholders. The liquidators will make a distribution to shareholders at such time as they determine and is under no obligation to conclude the winding up of MRI Holdings within any particular time frame.

Your Directors consider that the expected advantages of the Voluntary Winding Up outweigh the above possible disadvantages and risks.

### **Directors recommendation**

Your directors **UNANIMOUSLY RECOMMEND** that you vote in favour of resolution 1.

## **Appointment of Liquidator – Item 2**

### **Introduction**

In accordance with section 495 of the *Corporations Act 2001* (Cth) (**Corporations Act**), following approval by the members of MRI Holdings to proceed with the voluntary liquidation, the members must appoint a liquidator. As required by the Corporations Act, MRI Holdings has obtained the written consent of Andrew Stewart Reed Hewitt of Grant Thornton (**Liquidator**) to act as Liquidator, subject to the approval of MRI Shareholders.

### **Liquidator's role**

Following the appointment of a liquidator to wind up the Company, all powers of the Board will cease, other than as specifically approved by the Liquidator or the Company in general meeting (with the Liquidator's consent). The Liquidator's role includes:

- winding up the affairs of the Company;
- calling for all creditors of the Company to come forward and advise the Liquidator of claims they have against the Company;
- disposing of all property held by the Company by paying all creditors and distributing surplus assets to the shareholders;
- attending to the various reporting and notification requirements; and
- calling and holding a post-liquidation meeting.

Andrew Stewart Reed Hewitt is a registered liquidator and a Director of the Recovery & Reorganisation Services Group of the firm Grant Thornton.

### **Liquidator's remuneration**

The remuneration payable to the Liquidator to perform the duties requires to wind up MRI Holdings are estimated to be \$25,000 (plus GST).

### **Director's recommendation**

Your directors **UNANIMOUSLY RECOMMEND** that you vote in favour of resolution 2.

## **Liquidator's Remuneration – Item 3**

### **Introduction**

The attached Remuneration Report has been compiled by the proposed Liquidator and is an estimate of the costs associated with the winding up of the Company. MRI Shareholders should note that while best estimates have been used to anticipate the estimated cost, the Liquidator has not included the costs of any additional tasks that may be required such as, but not limited to, seeking legal opinions or advice, the collection of undisclosed assets, payment of undisclosed liabilities or the holding of Annual General Meetings. The costs may also be impacted by unforeseen circumstances such as additional lodgements required by the Australian Taxation Office, Australian Securities and Investments Commission or the State Revenue Office or other difficulties encountered in concluding the administration.

An allowance has been made for the coordination of the winding up of related entities in other legal jurisdictions.

### **Director's recommendation**

Your directors **UNANIMOUSLY RECOMMEND** that you vote in favour of resolution 3.

## **Destruction of Books and Records – Item 4**

### **Corporations Act 2001 (Cth) requirements**

Under the *Corporations Act 2001 (Cth)*, the liquidator must retain all books of a company that has been wound up for a period of five years. However there is provision for the members of a company to approve the books of that company be destroyed within an earlier period following the company being wound up.

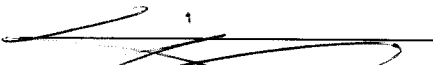
If the Liquidator was required to keep MRI Holdings' books for a period of five years, this would result in significant costs that would necessarily result in MRI Shareholders receiving a smaller distribution. Accordingly, the approval of MRI Shareholders is sought to allow the Liquidator to destroy the books of the Company within a shorter period, as approved by the Australian Securities and Investments Commission.

### **Director's recommendation**

Your directors **UNANIMOUSLY RECOMMEND** that you vote in favour of resolution 4.

### **By order of the Board**

Date 22 March 2010

Signed 

Name Andrew Draffin  
Company Secretary

# Proxy form for general meeting

MRI Holdings Limited ACN 007 871 963

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Date: 29 April 2010

Time: 10.00am (AEST)

Place: Minter Ellison Lawyers, Level 23, 525 Collins  
Street, Melbourne VIC

MinterEllison

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L A W Y E R S

[www.minterellison.com](http://www.minterellison.com)

# Proxy form for general meeting

The Secretary

**MRI Holdings Limited**  
**Level 2, 395 Collins Street**  
**MELBOURNE, AUSTRALIA 3000**

I/We .....  
(please print)

of .....  
(please print)

being a member(s) of MRI Holdings Limited appoint:

Name of Proxy .....

Address of Proxy .....

or, in his/her absence:

Name of Proxy .....

Address of Proxy .....

or, if I/we have not nominated a proxy or if the nominee is absent from the meeting, the Chairperson of the meeting as my/our proxy to vote on my/our behalf in accordance with the following instructions (or if no instructions are given, as the proxy sees fit) at the general meeting of MRI Holdings Limited to be held on 29 April 2010 and at any adjournment of that meeting.

*If two proxies are being appointed, complete the following sentence:* This proxy is authorised to exercise ..... votes/ ..... % of my/our total voting rights.

## Directing your Proxy

*To instruct your proxy how to vote, insert 'X' in the appropriate column against each item of business set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.*

I/We instruct my/our proxy to vote as follows (the resolutions are numbered as in the notice of meeting):

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
1. Voluntary Winding Up of MRI Holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of liquidator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Liquidator's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Destruction of Books and Records	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*This proxy must be signed by each appointing member (or the member's attorney). Proxies given by a company must be executed in accordance with section 127 of the Corporations Act 2001 (Cth) or signed by a duly authorised officer or attorney.*

Dated:

.....

Common seal	Signature(s)	Name (print)

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the company, by 10.00am on 27 April 2010 in any of the following ways:

- (a) **By post** to MRI Holdings:  
c/o Draffin Walker  
Level 2 395 Collins Street  
Melbourne VIC 3000
- (b) **By fax:** to +61 3 9620 0070

# Notes

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1. A member who is entitled to vote at the meeting may appoint:
  - (a) one proxy if the member is only entitled to one vote; or
  - (b) one or two proxies if the member is entitled to more than one vote.
2. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes in which case any fraction of votes will be disregarded.
3. If you require an additional proxy form, the company will supply it on request.
4. A proxy need not be a member of the company.



## **Declaration of Independence, Relevant Relationships and Indemnities**

**MRI HOLDINGS LIMITED**  
A.C.N.: 007 871 963

### **Independence**

I, Andrew Stewart Reed Hewitt, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Liquidator of MRI Holdings Limited. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

### **Relevant Relationships**

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with MRI Holdings Limited or an associate of MRI Holdings Limited or a former insolvency practitioner appointed to MRI Holdings Limited or any person or entity that has a charge on the whole or substantially whole of MRI Holdings Limited property.

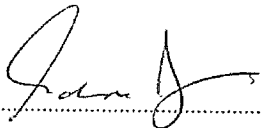
### **Prior Engagements with the Company**

Neither I, nor my Firm, have undertaken any prior engagements for MRI Holdings Limited. There are no other prior professional relationships or engagements that should be disclosed.

### **Indemnities**

I have not been provided with an indemnity for the conduct of this liquidation:

Dated: this <sup>7</sup>27 day of March 2010



.....

**Andrew Stewart Reed Hewitt**

**CONSENT OF LIQUIDATOR TO ACT**

To the members of MRI Holdings Limited

I, Andrew Stewart Reed Hewitt of Grant Thornton, Level 2, 215 Spring Street, Melbourne, Vic, 3000 hereby consent to act as Liquidator of the abovementioned Company if I am appointed liquidator at the general meeting of members or any adjournment thereof.

To the best of my knowledge I am not disqualified from acting as liquidator of the said Company by reason of the provisions of Section 532 of the Corporations Act.

DATED this 29<sup>th</sup> March 2010

  
\_\_\_\_\_  
ANDREW STEWART REED HEWITT

# REMUNERATION REPORT

## Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an Insolvency Practitioner. They are:

**a. Time based / hourly rates**

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

**b. Fixed Fee**

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.

**c. Percentage**

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

**d. Contingency**

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

## Method chosen

Given the nature of this administration I propose that my remuneration be calculated on a time based/hourly rates basis. This is because I believe that this method truly reflects the hours worked by individual staff members and the expenses associated with conducting the liquidation.

## Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the attached "Charge Rates" together with a general guide showing the qualifications and experience of staff who may be engaged in the liquidation. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

## Estimated Future fees

At the general meeting of members, I will be seeking approval from members for my remuneration as Liquidator. I anticipate the costs to conclude the liquidation will be \$25,000 plus GST but not including disbursements. An allowance has been made for the coordination of the winding up of related entities in other legal jurisdictions.

The estimated remuneration will cover the expense of completing of the following tasks:

## REMUNERATION REPORT

Task Area & estimated costs of completion	General Description	Includes
<b>Assets</b> 32 hrs \$12,480	Distribution of cash and company assets to members	Review of Company's financial position Franking credit calculations, if applicable Distribution of Company's assets in specie and/or in cash to members Liaising with external accountant Identification of company assets Seeking advice, if applicable, on issues arising in the liquidation Preparation and calculations of Liquidator's Distribution Coordination of the winding up of related entities in other legal jurisdictions
<b>Creditors</b> 6 hrs \$2,340	Creditor Enquiries and Notification	Advising statutory bodies of Company's liquidation Liaising with and obtaining clearance from statutory bodies
	Shareholder enquires	Responding to any possible shareholder enquires
<b>Administration</b> 26 hrs \$10,180	Correspondence	Initial documentation to convene meetings of directors
	Document maintenance/file review/checklist	First month, then 6 monthly administration review of file Updating checklists
	Insurance, if applicable	Identification of potential issues requiring attention of insurance specialists Correspondence with Willis regarding initial and ongoing insurance requirements Reviewing insurance policies Correspondence with previous brokers
	Bank account administration	Preparing correspondence for opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Process and maintain receipts and payments
	Lodgement of ASIC Forms	Preparing and lodging ASIC forms including Form 520 - Declaration of Solvency, Form 205 - Passing of Resolution and Form 505 - Notification of Appointment of Liquidator Lodging 6 monthly receipts and payments with ASIC, if applicable
	ATO & other statutory reporting	Notification of appointment Preparing BAS Placing required advertisements in the Gazette and Newspaper publications
	Finalisation	Calling and holding final meeting of members Lodging necessary forms with ASIC upon completion Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP

# REMUNERATION REPORT

## Disbursements

Disbursements are divided into three types: **A, B1 & B2.**

- A** disbursements are all externally provided professional services and are recovered at cost. An example of an A disbursement is legal fees.
- B1** disbursements are externally provided non-professional costs such as travel, accommodation and search fees. B1 disbursements are recovered at cost.
- B2** disbursements are internally provided non-professional costs such as photocopying and document storage. B2 disbursements are charged at cost except for photocopying, printing and telephone calls which are not charged.

I do not expect the cost of disbursements to exceed \$4,500 which will include charges for advertising, postage, printing and search fees.

## Charge Rates (excluding GST)

Classification	Charge Rate	Guide to Level of Insolvency Experience
PARTNER/DIRECTOR	\$550	Registered Liquidator/Trustee Partner/Director bringing specialist skills to Administrations and Insolvency matters Controlling all matters relating to the assignment
PARTNER/DIRECTOR	\$475	Registered Trustee Partner/Director bringing specialist skills to Administrations and Insolvency matters Controlling all matters relating to the assignment
ASSOCIATE DIRECTOR	\$450	Qualified accountant (CA/CPA) 8+ years experience Well developed technical and commercial skills Planning and control of all Administration and Insolvency tasks Controlling substantial matters relating to the assignment and reporting to the appointee
MANAGER	\$410	Typically CA/CPA Qualified 6-8 years experience Well developed technical and commercial skills Planning and control of Administration and Insolvency tasks with the assistance of the appointee
MANAGER	\$390	Typically CA/CPA Qualified 6-8 years experience Well developed technical and commercial skills Planning and control of Administration and Insolvency tasks with the assistance of the appointee
ASSISTANT MANAGER	\$360	Typically CA/CPA Qualified 4+ years experience Co-ordinates planning and control of small to medium Administrations and Insolvency tasks Conducts certain aspects of larger administrations
SENIOR 1	\$310	Typically CA/CPA Qualified 3-5 years experience Required to control the fieldwork on Administrations and Insolvency tasks
SENIOR 1	\$275	Typically CA/CPA Qualified 3-5 years experience Required to control the fieldwork on Personal Insolvency tasks
SENIOR 2	\$285	Typically undertaking CA/CPA Qualification or recently Qualified 2-4 years experience Required to conduct the fieldwork on Administrations and Insolvency tasks
ACCOUNTANT 1	\$260	Typically undertaking CA/CPA Qualification Up to 3 years experience Required to conduct the fieldwork on smaller Administrations and Insolvency tasks and assist with fieldwork on medium to large Administrations and Insolvency tasks
ACCOUNTANT 2	\$240	Commencing CA/CPA Qualification Up to 2 years experience Required to assist with the day to day fieldwork on smaller Administrations and Insolvency tasks under the supervision of more senior staff
GRADUATE	\$220	Typically 6-15 months experience Required to assist with the day to day fieldwork on Administrations and Insolvency tasks under the supervision of intermediate and senior staff
GRADUATE	\$190	Typically first 6 months experience Required to assist with the day to day fieldwork on Administrations and Insolvency tasks under the supervision of intermediate and senior staff
ADMINISTRATOR	\$185	Conducts all aspects relating to administering the accounts function
PA/SECRETARY	\$165	Carries out all secretarial functions relating to an administration
UNDERGRADUATE	\$160	Typically in final year of tertiary studies and undergoing vacation employment or part time work

**Notes:**

1. This guide to the level of insolvency experience is intended only to be a guide as to the qualifications and experience of the staff engaged. It should be noted that in some instances staff may be engaged under an appropriate classification principally due to their experience.
2. Time spent on matters is recorded and charged in six (6) minute intervals.
3. Charge rates shown are per hour and excluding GST.