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Case No CR-2024-007260

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

Rolls Building
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

Date: 17 December 2024

Before:

THE HONOURABLE MR JUSTICE HILDYARD

IN THE MATTER OF
SPECIALITY STEEL UK LIMITED
-and-
IN THE MATTER OF
THE COMPANIES ACT 2006

Mr M Haywood and Mr D Judd appeared on behalf of the Claimant/Applicant.

Mr R Perkins appeared on behalf of the Greensill Creditors.

APPROVED JUDGMENT

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(Official Shorthand Writers to the Court)

MR JUSTICE HILDYARD:

1. This is the adjourned hearing of an application on behalf of Specialty Steel UK Limited, which I shall call the Plan Company, for an order to convene six meetings of certain of its creditors, whom I shall call the Plan Creditors, for the purpose of considering and if thought fit, approving, a proposed restructuring plan (which I shall call the Restructuring Plan) under part 26A of the Companies Act 2006.

2. On the previous occasion on which this matter was before the Court, which was on 4 December 2024, this application was adjourned to enable the Plan Company to put in further evidence to address, and perhaps at least in part assuage, concerns which had been raised on behalf of an important group of Plan Creditors, namely the Greensill Creditors, as to whether this, the Restructuring Plan as then proposed, would be one which could plausibly justify the Court's use of "cram-down" powers to enable its sanction. Mr Ryan Perkins of counsel, on behalf of the Greensill Creditors, submitted that those proposals were not only unacceptable to the Greensill Creditors but also fundamentally flawed. This was principally because (he submitted) their effect was to write off entirely the debts owed to Greensill Creditors, dissolve all their security (including first-ranking security over the Plan Company's plant and machinery and a charge over the shares of its parent), and reallocate the resulting free assets or "restructuring surplus" to the shareholders in right of their shares now freed of any charge for no consideration. Mr Perkins submitted that even if the Court had jurisdiction in the strict sense, its exercise in such a context would be against sense and practice, amounting to what Mr Perkins called a *"soft jurisdictional bar"*; and see *Re OJSC International Bank of Azerbaijan* [2018] Bus. LR 1270 at [147] for the two different senses of the expression *"the Court has no jurisdiction"*.

3. Since then, there have been (long delayed) negotiations between the Plan Company and the Greensill Creditors resulting in the Plan Company proposing various amendments to the Restructuring Plan with particular relevance to the Greensill Creditors. Accordingly, his position now is to some extent different than it was on 4 December, in that the proposals, whilst not answering, nevertheless go some way at least to addressing, the concerns which Mr Perkins advanced. I shall come back to those concerns briefly later.

4. Suffice it to say that although (as I elaborate later) the Plan Company's proposals are not yet acceptable to his clients, Mr Perkins, who has very ably represented the Greensill Creditors, both on the previous occasion and today, is now content that the matter should proceed to the meeting stage and that I should convene the six meetings which are presently sought. Mr Haywood and Mr Judd, representing the Plan Company, are of course, content with that.

5. There is, however, a wrinkle which I should immediately explain. This is that notwithstanding the negotiations which have taken place since 4 December and the proposals put forward by the Plan Company which have found their way into a revised Explanatory Statement and a revised Restructuring Plan which are now the documents to go before the meetings, there is a possibility, if not an expectation, that further amendments will have to be made to the Restructuring Plan. That will be the case, in particular, if the Greensill Creditors, who comprise some 96 per cent of the secured creditors in this company, are to be brought on side, and if not, for the matters which Mr Perkins has addressed to the Court to be answered sufficiently to remove any jurisdictional bar for sanction (whether "soft" or "hard").

6. I have been concerned in those circumstances that it is not normally appropriate for the Court to direct a series of meetings and to permit the matter to proceed on the basis of an explanatory statement and a restructuring plan, knowing that it is very possible that neither is in the form which will eventually be necessary to put before creditors for their consideration at the meetings directed.

7. I have been aware that there is a practice developing of allowing the matter to proceed, notwithstanding anticipated changes after the convening hearing to the documents to be put before the meeting(s) directed. I do not consider that this is in usual circumstances an appropriate practice. In my view, the Court should ordinarily expect only documents in substantially the same form as it has considered at the convening hearing to be put before the class meeting(s) it has directed. Indeed, that is the effect of the express provision ordinarily included in the convening order. In my view, the Court should ordinarily refuse to permit the convening hearing to be treated as some sort of false feast, in which it gives its approval to a matter proceeding on one basis whilst the parties contemplate ultimately proceeding on a different basis.

8. However, I accept that there may be exceptional circumstances where the exigencies of the situation are such that negotiations are continuing or will be triggered after the date of the convening hearing which may result in amendments to the plan and accompanying documents. Although I consider that the Court should be astute to confine the approach to exceptional circumstances, it may occasionally be necessary to allow for the possibility of such changes, and provide in the Court's order for what is to be done in that event. Of course, if any such changes affect the number or constitution of the classes it has directed, the matter has to be restored immediately for further directions (as occurred, for example, in *Re Ambatovy Minerals SA* [2024] EWHC 2839 (Ch)).

9. In this case in all the circumstances (including the previous adjournment) it is the view and concern of all concerned, including the Greensill Creditors, that if I do not take the unusual course of permitting the matter to proceed, the perception amongst those who deal with the Plan Company may be that the plan is unlikely to succeed; and that could foreclose any chance of a Restructuring Plan because interested parties, including critical creditors, may determine no longer to deal with the Plan Company, thereby removing any prospect of avoiding its immediate liquidation.

10. In those circumstances, I propose to make an exception; and to soothe frayed nerves, I can say that I will order the convening of the six classes of creditors' meetings as is proposed, though on a rather different and modified timetable, to take account of the possibility of future objection.

11. I turn, therefore, to the matters which I am bound to consider at this stage of the process.

12. It is trite and well established that this stage of the process is "emphatically not" to consider the merits or fairness of the proposed Restructuring Plan.

13. Absent circumstances suggesting that either there is a jurisdictional bar or something fast approaching it, the Court will not, because it would be premature, concern itself with the details or fairness of the Restructuring Plan itself; that is all a matter to be considered at the sanction hearing, if and when that occurs. That is when the Court will

have the benefit of knowing how the creditors have reacted to the Restructuring Plan and will know whether, for example, as seems possible in this case, there would be a necessity, if the Restructuring Plan is to be given legs, for there to be a cram down of any dissenting class or classes.

14. With that in mind, I propose to deal only with those matters which are required to be dealt with at this stage, though I shall have something restricted to say as regards the other matters which have been raised.

15. The context in which this Restructuring Plan is proposed, as will already be evident from my opening remarks, is that the financial position of the Plan Company has significantly deteriorated. In the period prior to 2021, the Plan Company experienced difficult trading conditions, initially in consequence of the state of the global steel market prior to the COVID-19 pandemic.

16. The pandemic then undoubtedly exacerbated these difficulties, resulting in both reduced demand for goods and closure of ports across the globe, creating huge problems in terms of delivery.

17. Since the pandemic, the business has struggled with profitability and with cash generation. On top of this and perhaps the immediate catalyst of the problems resulting in the proposal of the Restructuring Plan, the Plan Company's financial difficulties were greatly exacerbated by the collapse of GCUK, which was its most significant credit provider and which went into administration, as was well publicised, in March 2021, an event that was swiftly followed by its German affiliate, Greensill Bank AG, filing for insolvency in Germany.

18. The Plan Company was especially exposed to GCUK, who had been the principal source of its funding. The administration of various Greensill companies, including GCUK, caused an immediate and potentially fatal problem for the Plan Company.

19. The purpose of the Restructuring Plan is to address the problems which have arisen and to allow the Plan Company to continue to trade as a going concern. The price of the Restructuring Plan, as it were, is to be paid by the creditors, in that no new money is to

be introduced and by and large, with certain exceptions, the majority creditors and in particular the Greensill Creditors, are to have their indebtedness substantially written off and even inroads made into security that they have. As previously mentioned, in the Greensill Creditors' case this comprises security over all the assets of the Plan Company (including first-ranking security over assets such as plant and machinery and second-ranking security over certain real property assets) as well as a charge over the shares in the Plan Company, which shares are held by Liberty Specialty Steels Ltd, another company in what is called the GFG Alliance.

20. The Restructuring Plan is intended to address the principal liabilities, including the following:

21. First, approximately £10 million which is owed to an entity called Together Commercial Finance Limited, or TCFL, which is secured by way of first-ranking fixed charge against three of the steel plants operated by the Plan Company.

22. Secondly, the further secured debts by the floating charge I have mentioned and the charge over the shares of some £289 million owed to Greensill Capital (UK) Limited, which I shall call GCUK, and other creditors with Greensill-related claims.

23. In addition and thirdly, there are liabilities owed to His Majesty's Revenue and Customs, HMRC, in the total sum of approximately £7.7 million.

24. Fourthly, there are intercompany liabilities within the GFG Alliance of some £288.8 million in total.

25. And lastly, fifth, are liabilities to unsecured creditors with an aggregate value in excess of £23 million.

26. The objectives of the Restructuring Plan in these rather dire circumstances will or are intended to be achieved by:

(1) First, reducing total indebtedness.

(2) Secondly, addressing outstanding defaults under the Plan Company's finance arrangements.

(3) Thirdly, releasing security over its existing assets, which it is expected will facilitate obtaining fresh finance in the future from external sources.

(4) Fourthly, causing or enabling a petition which has been brought by an unsecured creditor and adjourned until some time in February, to be dismissed.

(5) And, fifthly, regularising the Plan Company's accounting position, including, it is said, by assisting with the appointment of auditors. (In that context I should parenthetically note that it is some time since the Plan Company has provided audited accounts, it is said because of problems of securing the services of an auditor, though with the result that the directors of the company are subject to proceedings for their default.)

27. The Plan Company has, prior to proposing the Restructuring Plan or at least as part of its efforts to address the problems which have arisen, also considered other alternatives. Most especially and as one would expect, alternative funding arrangements and the injection of new money, but also, for example, the possibility of a CVA or suchlike.

28. The long and the short of it is that no alternative has been secured and it is the Plan Company's view and in this it is supported by Begbies Traynor London LLP, who have been advising as to the relevant alternative, a concept to which I shall return, that absent the Restructuring Plan, there really is no workable alternative, and the relevant alternative is therefore liquidation, no doubt with the appointment of a special manager (as has been the fate of other steel companies in the recent past).

29. Liquidation would not only damage the financial interests of the various creditors concerned, whom I have briefly described, but it would also cause damage, inevitably, to the some 1,500 employees of the Plan Company who would be automatically dismissed by the process. Further, it seems fair also to say that the Plan Company's five facilities in the United Kingdom, which are in Rotherham, Stocksbridge, Brinsworth,

Bolton and Wednesbury, are important economic assets for the community in each place.

30. Again, put shortly, liquidation would have more than financial results; it would be a very grievous blow against the employees and also the local communities.

31. What is proposed in the Restructuring Plan is, as one would expect, usefully described in the proposed Explanatory Statement, with the position as it is projected to be in the relevant alternative being given also in the same table.

32. So far as the first-ranking fixed charge holders, TCFL, are concerned, and they are the only creditors who, in the Plan Company's estimation, would receive any payback in an insolvent liquidation and then only to the tune of about 33 per cent, it is proposed that the amount of their secured debt of £10 million should be paid in full.

33. The payments will be made by way of scheduled monthly payments which end in September 2027 and any arrears of interest will be paid in arrears from October 2025. At the same time, any existing defaults or other breaches of the loan agreements will be waived.

34. The signs are that TCFL is happy with these proposals and one can understand the reason why.

35. Greensill Creditors, on the other hand, have much less reason to be content. They, as I have mentioned, have security but at least under the initial version of what was proposed, they were to lose it all and receive, effectively, nothing, except the promise of some share of future profits to be made under turnover arrangements with the Plan Company’s shareholder, whose shares would be freed from the charge that the Greensill Creditors presently have.

36. As I have indicated, amendments have been made to these proposals which will provide for a different form of security over the relevant shares and for an enhanced return from any distributions made over the next seven years, with a further security of

a commitment under the Restructuring Plan for any distributions which could be made under the relevant Companies Act provisions, to be made without further ado.

37. I think I can summarise the position of the Greensill Creditors at this stage, in light of what is proposed, as being one of welcoming some indication of progress but equally, indicating that they are nowhere close to a landing on what is proposed. That is made evident in an email of some length from Freshfields, who act on behalf of one of the Greensill Creditors (UBS), and whose email was sent with the approval of the other Greensill Creditors (who are represented by A&O Shearman and Stephenson Harwood). Freshfields have made quite detailed proposals which are presently, as I understand it, under consideration by the Plan Company, though it has indicated through counsel that it is not prepared to accept them in the form in which they are presently put forward.

38. Whether further negotiations result in a bringing together of the two, that is to say the Greensill Creditors and the Plan Company, time will tell.

39. I should deal next with intragroup liabilities and in particular, an estimated total of £18,799,000 of secured debt owed by the Plan Company to an entity called Wyelands Limited, which I shall call Wyelands, and which is a company also within the GFG Alliance which operated as a bank. The position shortly stated, is that Wyelands has a third-ranking security over the assets of the Plan Company but by reason of the higher-ranking claims I have already referred to, that security is presently worthless.

40. As also indicated, the Plan Company also owes a further aggregate total of some £270 million to other companies in the GFG Alliance. Under the Restructuring Plan, it is proposed that the rights of Wyelands and the GFG Alliance creditors will be released in full. No consideration will be paid to them and the claims of persons who are guarantors in respect of any Plan Creditor will be released, since otherwise there might be ricochet claims which would come back on the ricochet to affect and undermine the Restructuring Plan.

41. It is, I think, important to emphasise that the actual indemnity will remain in place, though any right of recourse against the Plan Company is to be removed.

42. I should also mention that some, at least, of the relevant intercompany creditors have entered into a lock-up agreement and have agreed to vote in favour of the Restructuring Plan. My understanding is, though I would like this confirmed, so that I am fully cognisant of the disposition and attitude of the various tribes of creditors concerned, that that undertaking is also to apply to the Restructuring Plan as it is proposed to be amended.

43. A third group is trade creditors who are of particular importance to the business, both in the short-term and in terms of its future business sustainability after a sanction. There are two categories of these. One category is termed in the relevant documentation the "excluded creditors". They are essential to the delivery of the Restructuring Plan in the short-term because it is they who will be able to ensure that the Plan Company receives short-term funding from two customers who are amongst them, who will provide short-term funding in the form of advance payments for steel products that they intend to purchase. I think up to 80 per cent of the total price is pre-funded and it is that arrangement which has, over the past few months, prevented the company from immediately going into insolvent liquidation and which must continue if the company is to have a future.

44. Those two customers and the other creditors who comprise the class will not be part of the Restructuring Plan. It is envisaged that their claims will be paid over the course of time in full but the Restructuring Plan does not affect that commitment in any way. Similar is the position of the Plan Company's employees. They too are excluded from the Restructuring Plan.

45. The second category of these creditors I will call the "critical creditors". These creditors also are operationally and strategically important to the sustainability of the Plan Company's business but on the basis of rather longer term business relationships. There are some 19 of these creditors, whose claims are estimated to total £4,267,000. The average size of each critical creditor claim is generally larger by way of comparison to the claims of other individual trade creditors, making those claims more difficult to meet on a business as usual basis.

46. Under the Restructuring Plan, the critical creditors will be paid in full but without interest or penalties. Repayments to them will take place not immediately but in equal monthly instalments at the end of December, January, February and March 2025. Their support is vital also but I understand that they are presently disposed to accept this way of dealing with their position, at least sufficiently to continue supplying the company which is vital for its continuation.

47. HMRC, as I have mentioned, is also a creditor of the Plan Company. It holds claims in connection with PAYE and VAT, which save for penalties and interest, rank as secondary preferential claims. The aggregate value of these secondary preferential claims is estimated to be £7,700,000. In the relevant alternative of a liquidation, these claims would rank above any claims secured by floating charges, including the floating charge security held in respect of the Greensill Creditors' claims and the sums owed to Wyelands.

48. Under the Restructuring Plan, it is proposed that the HMRC secondary preferential claim would be paid in full but without interest or penalties and that repayments will take place over a 40-month period, beginning in September 2025 and ending in December 2028. Any penalties and interest would fall within another category of "Other Plan Claims" which, in effect, may well result in no recovery in respect of interest or penalties.

49. The position of HMRC in relation to this Restructuring Plan, I think can presently be described as equivocal. They naturally wish to be paid in full and have raised some question as to whether it is even lawful for them to accept some diminution in their entitlements. That, at first blush, seems unlikely but it is also a matter which must be dealt with according to the result of their meeting and according to any determination which becomes necessary at the sanction hearing.

50. The remnant of creditors to be dealt with under the Restructuring Plan are referred to as "Other Plan Creditors". These are numerous other unsecured creditors. Mr Gupta, who is the ultimate owner of the entire edifice, comprising a number of companies within the GFG Alliance, estimates there to be some 400 of these whose claims have an aggregate value in excess of £23 million, not including certain sums owed to an

entity called Marble Power Limited, which is included within this class of creditors in respect of most of its indebtedness to the Plan Company.

51. This residual category of creditors includes all other unsecured claims not critical to the ongoing business and operations of the Plan Company. They are to be sacrificed in the interests of keeping this company alive, except that there will be a provision for all of them to share pro rata in an amount of £500,000. Their pro rata shares, however, will not be close, I imagine, to their entitlements. However, that is put forward as satisfying the general requirement that in respect of any right, there must be some *quid pro quo* offered in terms of the jurisdiction of the Court to approve any Restructuring Plan which cannot involve an element of expropriation for nothing.

52. A useful tabular calculation of estimated outcomes for the different categories of Plan Creditors under the Restructuring Plan and the relevant alternative is provided at page 17 of Mr Haywood's very clear skeleton argument and that is based on the calculations, as I understand it, of Begbies Traynor London LLP or BTG and provides a useful, immediately appreciable description of what the alternatives are.

53. In order to allow the matter to proceed, I must also address the following matters:

54. First, although it is not mandatory, it is almost invariable that a "Practice Statement Letter" or "PSL" should be sent, outlining the relevant details of the Restructuring Plan, in good time before the Court hearing. This is to advise all creditors affected as to what is proposed, in case they wish to make submissions to the Court at the convening hearing.

55. I am satisfied that the Practice Statement letter has been sufficient for those purposes and that the fact that it was sent on 6 November is adequate notice in all the circumstances of a quite pressing case.

56. It seems to me that I must also consider the Explanatory Statement, as amended to cater for the revised Restructuring Plan, which I must check for adequacy. This is, as best I can see, adequate, though in the time available, the Court has no real prospect of being able to assess its clarity and comprehensiveness. In that context and, helpfully,

Mr Haywood took me to various matters which I was especially interested in, including directors' interests and what is to happen to other companies connected with the group and I am, as best I can see it, satisfied as to the form and adequacy of the Explanatory Statement, at least for present purposes.

57. I must also address jurisdictional and threshold conditions. In terms of jurisdiction, there should be no problem in this case because the Plan Company is an English incorporated company, subject to the jurisdiction of the Court. I therefore accept that the Plan Company is a company within the meaning of section 901A(1) of the Companies Act 2006.

58. My understanding is that all of the debts are governed by English law, with the presence of the creditors here, so there is no international cross-border element which I need consider in that context.

59. I also accept that the Plan Company is, on the evidence which is put before me, in financial difficulties, such as will undoubtedly affect its ability to carry on business as a going concern. I therefore consider that the first precondition, condition A under section 901A(2) of the Companies Act 2006, is satisfied.

60. I must also consider whether condition B in section 901A(3), which requires that the purpose of the compromise or arrangement should be the elimination, reduction and prevention or mitigation of the effect of any of the financial difficulties which is confronting the applicant company, is satisfied. If the Restructuring Plan succeeds, it ought to enable the company to continue and the creditors to achieve more than otherwise they would.

61. That brings me to the question which is usually at the heart of any application or hearing of this kind which is the question of class composition.

62. In this case, no less than six class meetings are proposed. The six classes will be first, TCFL; second, the Greensill Creditors; third, the critical creditors, as I have described them; fourth, HMRC, in respect of the HMRC claims; fifthly, Other Plan Creditors;

and sixthly, GFG Alliance Creditors. Of course, the excluded creditors do not have a class since they are not within the Restructuring Plan.

63. With the further comfort that Mr Perkins has not suggested any difficulty and certainly Mr Haywood has not either, it seems to me that the six classes proposed mirror the various interested groups and there is every reason to suppose that they will, within their group, be able to consult together with a view to their common interest, which is the golden test proposed many, many years ago but confirmed recently in *Re AGPS Bondco plc* [2024] Bus LR 745 at [109]-[114].

64. It seems to me by reference to the comparator or, as it is called in the context of Part 26A, the relevant alternative, that any differences with respect to security interests are, in a sense, dissolved and that those are the appropriate groups, as best I can tell at the present, and therefore, it is proper to convene those meetings in accordance with directions to be given.

65. I must be satisfied that there is nothing that could fracture the various classes by reference to some collateral or other interest which ought to be taken into account and may affect class composition. In this case, I am satisfied that the fact that certain creditors have pre-promised, in accordance with their lock-up or other arrangements, which are fairly common, does not lead to fracturing of the classes which I have directed.

66. I must next deal with the proposed notification of what is proposed. In that context, it seems to me that what is proposed, both in respect of what has happened and in respect of the Explanatory Statement and the various timings with respect to the time lapse between this hearing and the meetings which are to be proposed and thereafter the hearing to consider the result of those meetings, are sufficient, though it was agreed between counsel and I approve the modification of the time for the meetings to be deferred to enable, as best it can be, the most secure arrangements which are achievable between the parties to be concluded before any class meetings occur.

67. In that context, it is, I think, worth emphasising that under what I regard as an exceptional step which I am taking, of permitting the matter to go forward,

notwithstanding the possibility of substantial revision of the Restructuring Plan that is proposed, that it is very much more difficult to incorporate any amendments once the creditor meetings have taken place.

68. The Court will review, of course, any changes prior to the meetings and will expect and it will be a precondition that the Explanatory Statement sufficiently encapsulates what is proposed and identifies the changes that are to be made.

69. But that is a different matter from the position that occurs if the creditors' meetings have considered one Restructuring Plan and it is then proposed that the Court should sanction another.

70. In that latter case, in most ordinary circumstances, though there are exceptions in their particular context, that is likely to be impossible. In other words, all efforts to secure the best possible way of going forward must be made prior to the time of the creditors' meeting and in fact, in good time to enable the matter properly to be explained to those attending at those meetings.

71. In terms of the directions for those meetings, it had been proposed that the six Restructuring Plan meetings would take place at Stocksbridge on 16 January 2025, both virtually and in person. I think it is proposed that that date be altered to two weeks after that to 30 January 2025, which seems to me, as I have indicated, to be sensible.

72. Various record times and voting instruction deadlines have been proposed and they are not objected to and I will permit those as proposed.

73. It is very difficult to know quite what the scope of the sanction hearing will be. There are a number of constituencies who may oppose, not least the Greensill Creditors and possibly HMRC.

74. It seems to me sensible to allow more than one day for this purpose, since if only one day were allowed and the judge was not in a position to deal with it or there is careful manoeuvring that will potentially be put at risk for want of more time in which to deal properly with the matter.

75. Accordingly, I propose and will discuss with counsel, that this should be fixed now for the week beginning 17 February 2025 for two days, unless counsel consider more is required. Both good news and bad news follows. I know that I am available on those dates presently and will therefore retain this matter, subject of course, to exigencies and I shall, as I say, discuss with counsel what the best time is. It may be we should start on Tuesday the 18th, giving us that day and the Wednesday, and if things got really fiery, even the Thursday, in order to ensure we can bring finality to the matter.

76. There are other consequential directions proposed, including one under CPR 54D2, that:

> "Notice be given to the Plan Company of any application made by a person to obtain a copy of any documents filed on behalf of the Plan Company in proceedings."

77. I approve that, as it was approved by Trower J in *Re Virgin Atlantic Airways Limited* [2020] BCC 997 at [67] but I also emphasise that it is important that even those creditors who are not within the Restructuring Plan should be in some way notified of what is proposed, lest they consider that they have been hard done by, by the proposals as they eventually emerge.

78. I said I would return, finally, to some observations on the position as it was before the changes to the Restructuring Plan were proposed and incorporated. I shall say little in this regard for fear of saying too much and unbalancing the playing field, which would be a pity, in terms of the future negotiations which are proposed.

79. Suffice it to say that on the previous occasion, where it was envisaged that the shareholder would both rid itself of all secured liabilities and retain free of any charge, its shareholding, the proposed plan appeared to me to be, at the least, aggressive. I do not wish to get into dispute as to the difference between soft and hard jurisdiction but there are certain things which one has a feeling would never be approved by the Court and I was concerned that that would be territory which would need to be properly explored.

80. Beyond that I shall add only that it is very regrettable that the Plan Company and its advisers did not engage with the Greensill Creditors from the outset. Almost all the exceptional difficulties which I have addressed might have been avoided thereby. A proponent of a plan, even in circumstances of considerable urgency, should prioritise engagement with its creditors, and especially those with substantial interests likely or provisionally proposed to be adversely affected, with a view to putting forward the best plan reasonably obtainable, rather than a stalking horse for future discussion and improvement.

81. As it is, with the emphasis that the course I am taking of convening these meetings in the uncertain situation is unusual, I nevertheless, as I have said, direct those to move forward, in the hope that we will, by the end of the sanction hearing, have a Restructuring Plan which enables these companies to proceed for the good of all.

82. I invite Counsel to prepare a draft Order reflecting my decision and the directions I have described.

83. **Epiq Europe Ltd** hereby certify that the above is an accurate and complete record of the proceedings or part thereof.

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