



**Minutes of Meeting of Eligible Employees of
MGW Engineering Pty Ltd (Administrators Appointed)
ACN 104 180 734
(Forefront or the Company)**

Held online via Zoom on 26 July 2021 at 2:00pm

Present	As per the attached register of attendees and observers.
Chairperson and Opening of meeting	Mr Barry Kogan introduced himself as Chairperson of the meeting pursuant to Insolvency Practice Rules (Corporations) 2016 (IPR), section 75-50, and declared the Meeting of Eligible Employees of Forefront open at 2:03 PM on Monday, 26 July 2021.
Introductions	The Chairperson introduced Louise Mann (Ms Mann), a Director at McGrathNicol and staff members assisting the Administrators who were also in attendance.
Quorum	The Chairperson declared that a quorum was present pursuant to IPR 75-105.
Attendance	<p>An attendance register was maintained based on the Zoom attendance listing.</p> <p>The Chairperson asked that creditors wait until the conclusion of the presentation to ask questions, and that the creditors who wished to address the meeting identify themselves for the minutes.</p> <p>Additionally, the Chairperson advised that the meeting was being recorded for the purpose of the minutes.</p>
Voting	The Chairperson advised the meeting of the requirements of IPR 75-85, 75-110 and 75-115 as they apply to voting at this meeting.
Time and place of meeting	The Chairperson declared that in accordance with IPR 75-30, the Chairperson is of the opinion that the meeting has been validly convened at a date, time and place most convenient for the majority of persons entitled to receive notice of the meeting.
Tabled documents	<p>The Chairperson tabled:</p> <ul style="list-style-type: none">▪ the Notice of Meeting;▪ the ASIC Published Notices Meeting Advertisement;▪ a list of proxies and proofs of debt submitted;▪ the Declaration of Independence, Relevant Relationships and Indemnities (DIRRI), which he noted remained unchanged; and▪ a register of attendees and observers present at the meeting as Annexure A.



Administrators' Report to Creditors

The Chairperson tabled the Administrators' Report dated 19 July 2021 and the Administrators' Supplementary Report to Creditors dated 22 July 2021.

A presentation summarising the relevant sections of the Administrators' Report was presented to the meeting and is attached at **Annexure B**.

Purpose of the meeting

The Chairperson advised that this meeting must occur before the second statutory creditors' meeting, convened under Section 439A of the Corporations Act, where creditors may resolve that the:

- administration should end, and control should be returned to the company director;
- company should be wound up; or
- company execute a Deed of Company Arrangement (**DOCA**).

The Chairperson noted that the DOCA proposes for claims of employees who continue to be employed, to not be paid from the DOCA (except for outstanding superannuation), but be preserved and paid by the Company in the ordinary course of business.

Accordingly, a resolution pursuant to Section 444DA(2) of the Corporations Act 2001 is required to be put to employees, essentially giving employees the opportunity to question or otherwise endorse the proposed DOCA.

In this regard, the Chairperson noted that the purpose of this meeting was to consider a resolution pursuant to Section 444DA(2) of the Act that the DOCA not include a provision to the effect that, any eligible employee creditors will be entitled to a priority at least equal to what they would have been entitled if the property were applied in accordance with Sections 556, 560 and 561.

Proposed DOCA

The Chairperson confirmed to the meeting that the terms of the proposed DOCA had been outlined in the Administrators' Report to Creditors and provided a brief explanation of the proposed DOCA including the assets which make up the Deed Fund and that:

- the control of the company will remain with the Administrators until "Control Conditions" are satisfied, which must occur within 3 weeks, then the Director, Anthony Redfern will take control;
- continuing employees remain employed, with all entitlements recognised which included years of service with only outstanding superannuation to be paid out of the Deed Fund; and
- former employees, including those made redundant during the Voluntary Administration, would retain their statutory rights to claim employee priority entitlements and are expected to be paid in full from the Deed Fund.



The Chairperson then explained the difference between the effect of the proposed DOCA on employees, and what their rights and entitlements would be if the Company was instead placed into liquidation, including their ability to access the Fair Entitlements Guarantee Scheme (**FEG**).

Outcome and key benefits of the DOCA

The Chairperson stated that in all DOCA scenarios set out in the Administrators' Supplementary Report, non-continuing employees and continuing employees (for their outstanding superannuation) are expected to be paid in full.

The Chairperson noted that the benefits to entering into the proposed DOCA would be that the business would continue, employment would be maintained, and result in a likely more certain and superior return to employees.

The Chairperson explained that in all liquidation scenarios set out in the Administrators' Supplementary Report, the business would cease to trade, and therefore all employees would be made redundant. The Chairperson further noted that the estimated return to employees is between 54.42 – 100c/\$.

The Chairperson noted that whilst it would be possible that a further sale process, and an ability to recover voidable transactions may increase the assets available to creditors, this would involve additional cost and was highly uncertain.

Questions

The Chairperson opened the meeting for questions from employees.

There were no questions.

Resolution

The Chairperson put the following resolution to the meeting:

"That pursuant to section 444DA(2) of the Corporations Act 2001 (Cth) (Act), the proposed Deed of Company Arrangement (DOCA) that will be offered to creditors at the second meeting of creditors on 26 July 2021, or at any adjournment to that meeting, will not include a provision to the effect that, for the purposes of the application by the administrators of the property of MGW Engineering Pty Ltd coming under their control under the DOCA, certain eligible employee creditors will be entitled to a priority at least equal to what they would have been entitled if the property were applied in accordance with sections 556, 560 and 561 of the Act."

Record of votes based on a poll (as announced by Ms Mann):

Vote	Number of votes	Value of votes (\$)
In Favour	47	1,282,433
Against	1	17,690
Abstaining	1	70,630



Based on the above results the Chairperson declared the resolution passed.

Whilst the initial announcement to the meeting declared that the motion was carried unanimously, for the minutes we note that a vote against the resolution was received and is recorded in the above poll results.

Closure

The Chairperson confirmed that the resolution did not have the effect of approving the DOCA, but simply the treatment of employee claims.

The Chairperson advised the next step will be to hold the Second Meeting of Creditors due to commence at 3.00pm.

The Chairperson paused for questions. No questions were asked.

The Chairperson asked the creditors whether any person had any concerns regarding the convening or chairing of this meeting.

No creditors raised any issues.

As there was no further business, the Chairperson declared the meeting closed at 2:26 PM.

Signed as a true and correct record.

Chairperson – Barry Kogan

**Meeting Attendance Register - Employees
MGW Engineering Pty Ltd (Administrators Appointed)**

Eligible Employees Meeting held at <https://mcgrathnicol.zoom.us/j/95478655782?pwd=UkNSdm1xRIISd3NFQlpQeC9LUmtMUT09> on 26 July 2021
at 2:00 PM

Chairperson: Barry Kogan

Name	Related party state "yes"	Name of Proxy	Proxy Type	ROCAP Amount	Creditor claimed amount	Admitted to vote for	Attending Signature of Person
Anderson, Adrian (Mr)		Jenna Lawson	General	21,406.90	21,406.90	21,406.90	Attended via Zoom
Backhouse, Lachlan (Mr)		Jenna Lawson	General	18,610.13	18,610.13	18,610.13	Attended via Zoom
Backhouse, Sebastian (Mr)		Jenna Lawson	General	30,457.39	30,457.39	30,457.39	Attended via Zoom
Bennett, Curtis (Mr)		Jenna Lawson	General	12,932.81	12,932.81	12,932.81	Attended via Zoom
Betts, Daniel (Mr)		Jenna Lawson	General	46,916.76	46,916.76	46,916.76	Attended via Zoom
Blair, Wesley (Mr)		Jenna Lawson	General	14,522.26	14,522.26	14,522.26	Attended via Zoom
Blomfield, Jody (Mr)		In Person	N/A	15,829.22	15,829.22	15,829.22	Attended via Zoom
Brown, Shawn (Mr)		Jenna Lawson	General	21,673.53	21,673.53	21,673.53	Attended via Zoom
Calampinay, Rodel (Mr)		Jenna Lawson	General	21,050.47	21,050.47	21,050.47	Attended via Zoom
Campbell, Brett (Mr)		Jenna Lawson	General	33,952.59	33,952.59	33,952.59	Attended via Zoom
Cornelissens, Travis (Mr)		Jenna Lawson	General	25,741.65	25,741.65	25,741.65	Attended via Zoom
Dantes, Oliver (Mr)		In Person	N/A	44,703.81	44,703.81	44,703.81	Attended via Zoom
Davidson, Brade (Mr)		In Person	N/A	100,368.78	100,368.78	100,368.78	Attended via Zoom
Deliyiannis, Chante I(Mrs)		Jenna Lawson	General	8,573.91	8,573.91	8,573.91	Attended via Zoom
Earsman, Kain (Mr)		Jenna Lawson	General	16,112.87	16,112.87	16,112.87	Attended via Zoom
Garland, Peter (Mr)		In Person	N/A	39,082.18	39,082.18	39,082.18	Attended via Zoom
Glanville, Trent (Mr)		Jenna Lawson	General	6,652.83	6,652.83	6,652.83	Attended via Zoom

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at 2:00 PM

Chairperson: Barry Kogan

Name	Related party state "yes"	Name of Proxy	Proxy Type	ROCAP Amount	Creditor claimed amount	Admitted to vote for	Attending Signature of Person
Gloria, Roland (Mr)		Jenna Lawson	General	22,633.80	22,633.80	22,633.80	Attended via Zoom
Grigg, Michael (Mr)		In Person	N/A	24,303.77	24,303.77	24,303.77	Attended via Zoom
Haynes, Alisa (Mrs)		Jenna Lawson	General	15,157.49	15,157.49	15,157.49	Attended via Zoom
Hetherington, Dylan (Mr)		Jenna Lawson	General	20,021.74	20,021.74	20,021.74	Attended via Zoom
Howard, Jonathan (Mr)		In Person	N/A	40,100.31	40,100.31	40,100.31	Attended via Zoom
Kelly, Mark (Mr)		Jenna Lawson	General	43,690.58	43,690.58	43,690.58	Attended via Zoom
Lawson, Jenna (Mrs)		In Person	N/A	19,822.41	19,822.41	19,822.41	Attended via Zoom
Lewis, James (Mr)		In Person	N/A	19,509.51	19,509.51	19,509.51	Attended via Zoom
Masson, Will (Mr)		In Person	N/A	70,630.15	70,630.15	70,630.15	Attended via Zoom
Neist, Dylan (Mr)		Jenna Lawson	General	13,699.38	13,699.38	13,699.38	Attended via Zoom
Oakes, Robert (Mr)		Jenna Lawson	General	14,654.87	14,654.87	14,654.87	Attended via Zoom
Patterson, Matthew (Mr)		Jenna Lawson	General	4,613.75	4,613.75	4,613.75	Attended via Zoom
Pittis, Harrison (Mr)		Jenna Lawson	General	3,539.45	3,539.45	3,539.45	Attended via Zoom
Priddle, Matthew (Mr)		In Person	N/A	40,282.48	40,282.48	40,282.48	Attended via Zoom
Rallestan, Fernan (Mr)		Jenna Lawson	General	17,191.06	17,191.06	17,191.06	Attended via Zoom
Redfern, Anthony (Mr)	Yes	Jenna Lawson	General	136,030.33	136,030.33	136,030.33	Attended via Zoom
Rowse, Kurtley (Mr)		Jenna Lawson	General	31,827.97	31,827.97	31,827.97	Attended via Zoom

**Meeting Attendance Register - Employees
MGW Engineering Pty Ltd (Administrators Appointed)**

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at 2:00 PM

Chairperson: Barry Kogan

Name	Related party state "yes"	Name of Proxy	Proxy Type	ROCAP Amount	Creditor claimed amount	Admitted to vote for	Attending Signature of Person
Sharpe, Danny (Mr)		Jenna Lawson	General	17,928.48	17,928.48	17,928.48	Attended via Zoom
Sheen, Jason (Mr)		Brade Davidson	General	20,907.41	20,907.41	20,907.41	Attended via Zoom
Sheridan, Angela (Mrs)		Jenna Lawson	General	21,771.71	21,771.71	21,771.71	Attended via Zoom
Sommer, Melyka (Mrs)		Jenna Lawson	General	8,657.64	8,657.64	8,657.64	Attended via Zoom
Spencer, Shaun (Mr)		Jenna Lawson	General	13,967.55	13,967.55	13,967.55	Attended via Zoom
Tarr, Vicki (Mrs)		Jenna Lawson	General	36,849.84	36,849.84	36,849.84	Attended via Zoom
Thompson, Jeda (Mr)		Jenna Lawson	General	37,907.46	37,907.46	37,907.46	Attended via Zoom
Tomas, Jaye (Mr)		Jenna Lawson	General	17,496.92	17,496.92	17,496.92	Attended via Zoom
Townsend, Cal (Mr)		Jenna Lawson	General	24,018.46	24,018.46	24,018.46	Attended via Zoom
Vardanega, Scott (Mr)		Jenna Lawson	General	18,246.58	18,246.58	18,246.58	Attended via Zoom
Williams, Jo-Anne (Mrs)		In Person	N/A	17,690.12	17,690.12	17,690.12	Attended via Zoom
Wilson, Dean (Mr)		Jenna Lawson	General	28,442.96	28,442.96	28,442.96	Attended via Zoom
Wright, Toby (Mr)		Jenna Lawson	General	36,489.68	36,489.68	36,489.68	Attended via Zoom
Zamora, Victoriano (Mr)		Jenna Lawson	General	22,153.58	22,153.58	22,153.58	Attended via Zoom
Zographos, Nicolas (Mr)		Jenna Lawson	General	31,927.91	31,927.91	31,927.91	Attended via Zoom

MGW Engineering Pty Ltd (Administrators Appointed) (Forefront Services)

Meeting of Eligible Employees pursuant to Section
444DA(2) of the Corporations Act 2001 (Cth)

26 July 2021



1

Agenda

- **Introduction**
 - Meeting formalities
 - Purpose of meeting
- **Questions**
- **Resolutions**



2

2

1

Meeting formalities

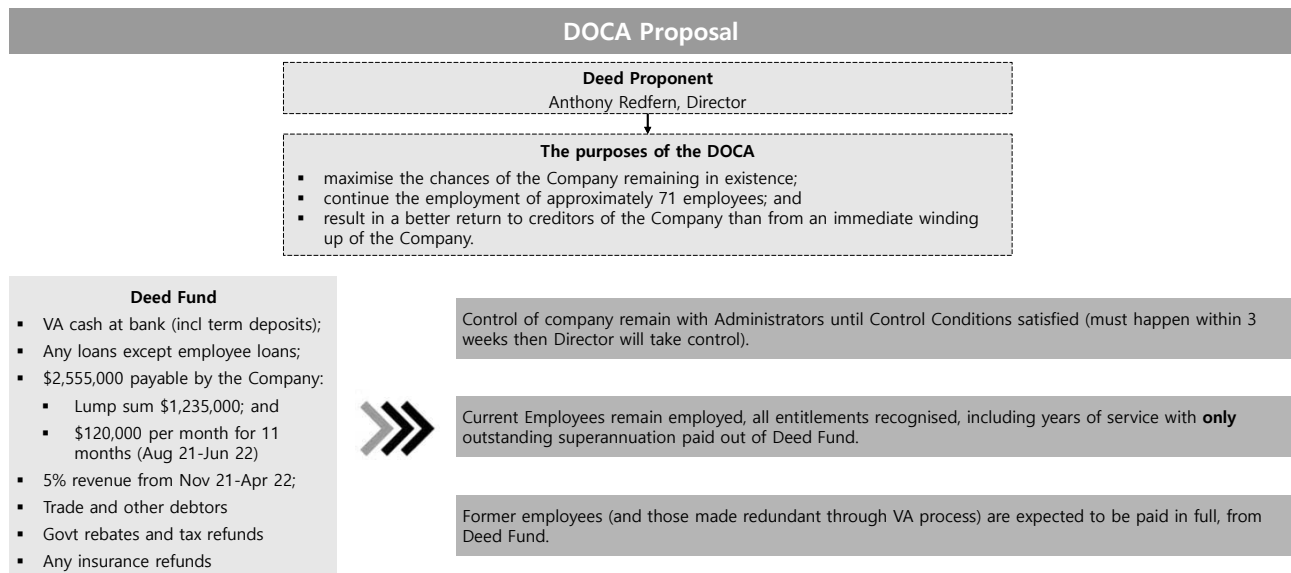
- Open meeting
- Administrator is Chairperson: IPR 75-50
- Introductions:
 - Barry Kogan (Administrator and Chairperson)
 - Louise Mann (McGrathNicol)
- Attendance register – meeting via Zoom/Teleconference
- Quorum: IPR 75-105
- Time and place convenient: IPR 75-30



3

3

Proposed Deed of Company Arrangement (DOCA)



4

4

Effect on employees

DOCA

Continuing employees

Will continue their employment with the Company, and their current entitlements for leave and the ability to claim redundancy and pay in lieu of notice continues to be an obligation of the ongoing company.

Only the outstanding superannuation will be paid from the Deed Fund. These employees will not be able to claim anything else from the Deed Fund.

It is estimated that all employees entitlements (i.e. all the entitlements owed to the Non-continuing employees and outstanding superannuation of the Continuing employees) will be paid in full.

Non-continuing/former employees

All outstanding entitlements, including superannuation will be paid from the Deed Fund

Liquidation

All employees rank equally

All employees will rank equally, and all outstanding entitlements will become due and payable as the Company will cease to trade in a liquidation.

There is a Government scheme called the Fair Entitlements Guarantee scheme (FEG). FEG assists employees who have lost their employment due to the liquidation of their employer and who are owed certain employee entitlements.

FEG covers up to:

- 13 weeks unpaid wages, annual leave, long service leave;
- five weeks payment in lieu of notice; and
- 4 weeks redundancy pay for each year completed plus a pro-rata for each part year, subject to certain income limits.

Please note that superannuation is not covered by FEG and only Permanent Residents (those not subject to 457 visas) are eligible for FEG claims.

It is estimated that as the business will cease to trade in a liquidation, and all employees will receive 54.42c/\$ on their claims and will need to rely on FEG for remainder in a low scenario. Whereas in a "high outcome" they will be paid in full



5

5

Outcome

DOCA

Liquidation

Continuing employees (outstanding SGC)



100 c/\$

54.42 – 100 c/\$

Non-continuing employees



100 c/\$

54.42 – 100 c/\$

Other



Business continues, jobs maintained, a more certain and superior return

Business ceases to exist, all jobs discontinued
Possible further sales process involves increased risk and cost



6

6

Q & A

7

Voting

How to vote

Visit link provided for resolution (link will also be copied to Zoom chat) or scan the QR code and enter your voting ID. Each vote and respective proxy will then be counted to determine the outcome.

Voting via proxy

General proxies: proxy holder chooses vote for each creditor they are proxy holder for

How the resolution is passed

When more creditors vote for it than vote against it
AND
When those who vote for it are owed more than those who vote against it
OR, IF EITHER OF THE ABOVE (BUT NOT BOTH),
when the Chairman exercises a casting vote (IPR 75-115)

8

Resolution – Deed of Company Arrangement

Eligible Employees

“That pursuant to section 444DA(2) of the Corporations Act 2001 (Cth) (Act), the proposed Deed of Company Arrangement (DOCA) that will be offered to creditors at the second meeting of creditors on 26 July 2021, or at any adjournment to that meeting, will not include a provision to the effect that, for the purposes of the application by the administrators of the property of MGW Engineering Pty Ltd coming under their control under the DOCA, certain eligible employee creditors will be entitled to a priority at least equal to what they would have been entitled if the property were applied in accordance with sections 556, 560 and 561 of the Act.”

To vote, either:

1. Visit – <https://forms.office.com/r/syDPPLphGL> (link will be provided in Zoom chat)

or

2. Scan the following QR code:



9

Next steps

- Despite this vote, the DOCA for Forefront Services has not yet been approved.
- The next step will be to hold the Second Meeting of Creditors which is due to commence immediately following this meeting and ask creditors as a whole to pass the resolution to put Forefront Services into DOCA.
- Only if this resolution passes will Forefront Services enter into DOCA.



10

10



McGrathNicol