



Notice of Meeting

MGW Engineering Pty Ltd (Administrators Appointed)
ACN 104 180 734
(Forefront Services)

NOTICE PURSUANT TO SECTION 444DA(3) OF THE CORPORATIONS ACT 2001 (Cth) OF MEETING OF EMPLOYEE CREDITORS OF A COMPANY UNDER EXTERNAL ADMINISTRATION

- 1 Notice is now given that a meeting of the employees of the Company will be held virtually via zoom on **26 July 2021 at 2:00 PM (AEST)**.
- 2 The meeting will be held virtually via webcast/teleconference, in order to ensure compliance with any restrictions that may be in place as a result of COVID-19.

Please note that those employees planning on attending by webcast/teleconference should register their intention to do so with Megan Panton at forefront-general@mcgrathnicol.com by 4:00 PM on 23 July 2021 and you will be provided with a link to join during the morning of 26 July 2021.
- 3 This meeting is to occur before the general creditors' meetings convened under section 439A of the *Corporations Act 2001* (Cth) (**Act**), at which all creditors will be asked to consider Forefront Services' proposed Deed of Company Arrangement (**DOCA**).
- 4 The purpose of the meeting of employee creditors is to consider a resolution pursuant to section 444DA(2) of the Act, that the DOCA not include a provision to the effect that, for the purposes of the application by the Administrator of the property of Forefront Services coming under their control under the DOCA, 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 of the Act (**Priority Provision**).
- 5 The proposed DOCA sets out that eligible employees will continue their employment with the Company which becomes subject to the DOCA. This means their employment is subject to the same terms and conditions outlined in their employment contract.
- 6 This means that it is proposed that claims for leave entitlements of eligible employee creditors i.e. those staff who remain employed by the Company will not be paid from the DOCA (other than claims for superannuation relating to the period prior to the administration). Instead, such claims will be preserved and be paid by the Company in the ordinary course of its business. Similarly, eligible employee creditors of the Company will not be able to make claims for redundancy or other termination entitlements.
- 7 The non-inclusion of the Priority Provision will result in only amounts relating to outstanding superannuation guarantee charges outstanding as at 21 June 2021 being made to continuing employees from the DOCA.
- 8 This means that whilst amounts aren't paid to continuing employees from the DOCA, all their rights to claim entitlements continue as they have continued employment, and may take leave as a part of their ongoing employment contract.
- 9 The effect of Insolvency Practice Rules (Corporations) section 75-85 (entitlement to vote at meetings of creditors) is as follows:
 - a. A person other than an employee creditor (or the employee creditor's proxy or attorney) is not entitled to vote at a meeting of employee creditors.
 - b. Subject to subsections (c) and (d), each employee creditor is entitled to vote and has one vote.



- c. A person is not entitled to vote as an employee creditor at a meeting of employee creditors unless:
- his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- d. An employee creditor must not vote in respect of:
- an unliquidated debt; or
 - a contingent debt; or
 - an unliquidated or a contingent claim; or
 - a debt the value of which is not established;
- unless a just estimate of its value has been made.

1. Proofs of debt and proxies must be submitted by **4:00pm AEST on Friday, 23 July 2021**.
2. Should a person wish to participate in the meeting using webcast/teleconference facilities, please contact Megan Panton at mpanton@mcgrathnicol.com to obtain access details.

Dated: 19 July 2021

Barry Kogan
Voluntary Administrator

McGrathNicol
GPO Box 9986
Sydney NSW 2001
Australia
+61 2 9338 2600