

ARROW INTERNATIONAL (NZ) LIMITED (ADMINISTRATORS APPOINTED)

Company Number: 3383573

ARROW INTERNATIONAL GROUP LIMITED (ADMINISTRATORS APPOINTED)

Company Number: 3383875

CONSTRUCTION LABOUR AND RESOURCES LIMITED (ADMINISTRATORS APPOINTED)

Company Number: 2240072

(Together "the Companies")

MINUTES OF FIRST MEETINGS OF CREDITORS

The First Meetings of Creditors for the above Companies were held at 2.30pm on Tuesday 12 March 2019 at the following locations.

Auckland	Hobson Room, Rydges Auckland Hotel, 59 Federal Street, Auckland CBD
Wellington	Wellington Board Room, (audio visual connection) BDO Wellington, Level 1, 50 Customhouse Quay, Wellington
Christchurch	The Oak Room, The Atrium (Christchurch Netball Courts) (audio visual connection) 455 Hagley Avenue, Christchurch
Queenstown	Remarkables Park, (audio visual connection) Remarkables House, Level 4, 26 Hawthorne Drive, Frankton, Queenstown

Andrew Bethell, one of the Administrators confirmed all locations were connected and the meeting commenced at 2.35 pm.

Chairperson:

Andrew Bethell - Administrator - Partner BDO Auckland

Media:

No media were in attendance

Attendance Register:

All attendees were requested to ensure that they had signed the attendance register.

Quorum:

It was determined that the meetings for Arrow International (NZ) Limited and Arrow International Group Limited were quorate as there were at least 3 creditors present either in person or by proxy.

It was determined that the first creditors' meeting of Construction Labour and Resources Limited was not quorate and therefore the first creditors' meeting of Construction Labour and Resources Limited was adjourned until 2.30pm on Tuesday 19 March 2019 to be held at the offices of BDO Auckland, Level 4 BDO Centre, 4 Graham Street, Auckland.

Voluntary Administration Process:

The Chairman outlined the Voluntary Administration process and the role of the Administrators and noted that:

- Voluntary administration (VA) is designed to resolve a company's future direction quickly.
- Independent suitably qualified person (the administrator) takes full control of the company to try to work out a way to save either the company or its business.

The objective of a VA is to:

- Maximise the chances of the company, or as much as possible of its business, continuing in existence; or
- If not possible for the company or business to continue in existence, results in a better return for the company's creditors and shareholders than would result from an immediate liquidation

Role of the Administrator

- Investigating and reporting to creditors on the Companies' business, property, affairs and financial circumstances.
- Give recommendation on best available options to creditors on which they vote at a "watershed" meeting of creditors.
- The Administrator has all the management powers of the company and its directors

Moratorium

- Moratorium in place for duration of administration
- Prevents enforcement action by creditors during administration
- Facilitates possible restructuring

Timetable

- Watershed meeting to be held within 25 days of VA commencement.
- Extension applied for until 31 May 2019 and granted.
- At the Watershed meeting, the creditors will decide whether a Deed of Company Arrangement (DOCA) is approved, or the company is liquidated, or returned to the control of its directors.

Statement of Interests and DIRRI

The Chairman tabled the Administrators' statement of interests and declaration of relevant relationships and indemnities.

Overview of Administration to Date

The Chairman provided an overview of the administration and noted:

- Stabilising the business - staff, sites etc.
- Securing Arrow Sites and now back on 10 site
- Liaising with subcontractors for collection of personal belongings
- Where appropriate continuing on site
- Negotiating with principals with objective to get back on site ASAP

Each location gave a brief overview the projects in their area.

Questions + Answers

	QUESTION	ANSWER
1	Did creditors get prior notice of VA?	No, administrators not aware of creditors being given prior notice
2	Were principals advised of VA prior to administrators' appointment?	No, no formal advice given to principals
3	Do the retention funds held relate to pre or post 1 April 2017?	Administrators understand that retentions held in trust relate to contracts entered into post 1 April 2017 .
4	Will creditors doing future work require Purchase Orders from administrators?	Yes new purchase orders will be required from authorising entity, be that principal or new company.
5	What happens to Anzac Avenue creditors not paid Jan or Feb claims now that contract has been terminated?	Anzac Ave agreement terminated by agreement with principal but unpaid Jan and Feb claims remain with Arrow however those claims may be dealt with by the principal now.
6	How are retentions held in trust going to be released?	Administrators working to reconcile retentions held as soon as possible. Administrators seeking legal advice to determine timing and process of release of retentions held.
7	What is happening to materials on site?	This question should be raised directly with principal for the site concerned. All actions taken are believed to be in the best interest of creditors.
8	Why have the administrators sought an extension?	To maximise the realisable value of longer-term assets such as property developments and dealing with Arrow's business units to achieve the best results possible in the circumstances.
9	What payments were made by the principal on the Courtenay Place site?	Arrow received Jan payment claim but not Feb and Arrow has not paid Jan or Feb subcontractors on that site.
10	Retention funds held do not include GST so there will be a further \$840K payable. How will that be managed?	There has been good co-ordination with the IRD to ensure that funds input and output timing works for both.
11	What are Arrow's liabilities? Has the March adjudication been paid?	There has been no payment to March. Arrow has \$15M unsecureds according to the Companies' records with \$6.5M contingent creditors with an estimated total of \$22M plus. We would expect that balance to increase as claims are received but it is too early to put a number on it.
12	Do the administrators have power to deal with retentions?	Administrators have powers of management of the company to deal with retentions.
13	What about the secured creditors? Will they appoint a receiver?	Bank and bond issuer have agreed not to appoint a receiver at this stage.
14	What happens if Anzac Ave principal pays Jan and Feb subcontractors?	Under the termination agreement the principal is obliged to inform administrators if they pay Arrow creditors.

Resolutions

A. It is resolved that with a Creditor Committee be appointed.

There were no nominations for replacement administrators.

Meeting Adjourned for tabulation of all votes.

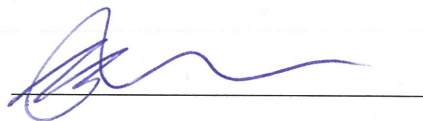
Voting Results

- For both Companies Resolution A that a creditor committee, be appointed was carried by a majority in number and over 75% in value of creditors present either in person or by proxy.

Closure

The meeting closed at 4.40pm.

Signed as true and correct



Andrew Bethell - Chairman