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PO Box H67
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9 January 2020

To Creditors

Dear Sir/Madam

McWilliam's Wines Group Ltd
ACN 000 024 108

Mount Pleasant Wines Pty Ltd
ACN 000 024 813

(Both Administrators Appointed) (Collectively referred to as "the Group")

Ryan Eagle, Tim Mablesen and I were appointed Administrators of the Group on 8 January 2020 pursuant to Section 436A of the Corporations Act 2001 (**Act**).

As Administrators, we now control the Group and are urgently assessing the Group's financial position.

The purpose of this letter is to provide you with information about the administration of the Group and your rights as a creditor, and contains the following sections.

- 1 First meeting of creditors
- 2 Declaration by Administrators
- 3 Trading
- 4 Legal proceedings
- 5 Employees
- 6 Report to creditors and second meeting of creditors
- 7 Creditor rights
- 8 Administrators' remuneration
- 9 Electronic notification
- 10 Further information

Attachments to this letter are described in the table below:

Annexure	Document	Description
A	Notice of first meeting of creditors (form 529A)	– Refer to section 1 of this letter
B	Formal proof of debt (form 535)	– Refer to section 1 of this letter
C	Appointment of proxy (form 532)	– Refer to section 1 of this letter
D	Nomination Form – COI	– Refer to section 1 of this letter
E	Declaration of independence, relevant relationships and indemnities	– Refer to section 2 of this letter
F	Short guide to the Personal Property Securities Act	– Refer to section 3.2 of this letter
G	Information sheet - creditor rights in voluntary administration	– Refer to section 7 of this letter
H	Initial remuneration notice	– Refer to section 8 of this letter

1 First meeting of creditors

We are required to call a first meeting of creditors within eight business days of our appointment pursuant to Section 436E of the Act. The purpose of this meeting is to provide creditors with an opportunity to:

- Appoint a Committee of Inspection (**COI**); and
- Appoint an alternative Administrator, if so desired.

The notice of meeting is attached as **Annexure A**. Details of the meeting are as follows:

Date: 20 January 2020
Time: 11:00am, registration from 10:30am
Location: Lyceum Room, Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000

Creditors wishing to vote at the meeting, who will not be attending in person or is a company, must complete the attached formal proof of debt form (**Annexure B**) and proxy form (**Annexure C**) and lodge with this office before the meeting and, in any event, no later than **4.00pm on the last business day prior to the meeting**. Forms can be sent by facsimile on +61 2 9335 7001 marked to the attention of Luke Meany or scanned and emailed to lmeany@kpmg.com.au.

A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Group or any lien over goods in their possession which are the property of the Group.

For creditors who are unable to attend the meeting, a conference call facility will be available. Please contact KPMG by email at lmeany@kpmg.com.au or by telephone to +61 2 9346 6066 at least one business day prior to the meeting to advise that you will be using the conference facilities and to be provided with the conference call code.

A COI is a small working group of creditors appointed to assist the Administrators. Section 80-55 of Schedule 2 to the Act imposes certain limitations on the ability of members of a COI to trade with the Group and/or purchase assets. Those creditors wishing to nominate a member for appointment to a COI (if one is appointed) must complete the attached Nomination Form – COI (**Annexure D**) and return it to this office no later than **4.00pm on the day prior to the meeting** by facsimile on +61 2 9335 7001 marked to the attention of Luke Meany or scanned and emailed to lmeany@kpmg.com.au.

2 Declaration by Administrators

Pursuant to Sections 436DA(2) and (3) of the Act and the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**), we attach our 'Declaration of Independence, Relevant Relationships and Indemnities' (**DIRRI**) as **Annexure E**.






3 Trading

At this stage, the Administrators intend to continue to trade the Group and we draw your attention to the following information.

3.1 Trading accounts

The Act provides that the Administrators are personally liable for liabilities arising from services rendered, goods bought or property hired, leased, used or occupied during the administration.

- Please close your accounts with the Group in respect of goods supplied and / or services rendered up to 7 January 2020.
- Please open new accounts in the name of relevant entity with the suffix “(Administrators Appointed)” for the supply of authorised goods and services to the Administrators.
- From 8 January 2020, liability will only be accepted by the Administrators in respect of the purchase of goods or services authorised by the Administrators or their representatives, whose specimen signatures are below. Accounts will be paid in accordance with your usual terms of credit.

Authorisor name	Authorisation limit	Signature
Gayle Dickerson	No limit	
Tim Mablesen	No limit	
Ryan Eagle	No limit	
Timothy Hoskin	\$200,000	
George Choimes	\$100,000	

- If there are any outstanding or unfulfilled orders placed by the Group prior to our appointment, including those under which there are goods in transit, please contact Timothy Hoskins of this office on +61 3 8663 8783 or thoskin2@kpmg.com.au to obtain written confirmation that the order should proceed.

You may be aware that payment of unsecured creditors' accounts as at 8 January 2020, is postponed pending the outcome of the second meeting of creditors (see section 6 below).

3.2 Consignment stock, goods subject to purchase money security interests and liens / pledges

If you supplied consignment stock to the Group, or believe you provided stock subject to a purchase money security interest (formerly a retention of title clause), or claim a lien / pledge over any of the Group' assets, please contact

Luke Meany of this office by telephone on +61 2 9346 6066 or by email at lmeany@kpmg.com.au as a matter of urgency. See further information at **Annexure F**.

3.3 Contracts / agreements

The Administrators expressly refrain from personally adopting any of the Group contracts existing at the date of their appointment. All contracts are currently under review. The Administrators will advise the status of contracts as soon as practicable.

3.4 Property used but not owned by the Group

In accordance with Section 443B of the Act, the Administrators' liability under hire purchase or lease agreements does not commence until seven days after the Administrators' appointment. Further, pursuant to Section 440B of the Act, the lessor or owner of property in the Group control is not entitled to take possession of such property without leave of the Court or the Administrators' written consent.

We will write separately to known lease and hire purchase creditors regarding such assets. Please contact this office if you do not receive our letter.

4 Legal proceedings

The appointment of Administrators stays a proceeding in a court against the Group. You cannot commence or continue a proceeding against the Group without our written consent or the leave of the Court.

5 Employees

We have written separately to employees regarding the appointment of the Administrators.

6 Report to creditors and second meeting of creditors

The Administrators will prepare a report to creditors under Section 438A of the Act and Insolvency Practice Rules (Corporations) 2016 (**IPR**) 75-225 which will include details on the Group's business, property, affairs and financial circumstances.

A second meeting of creditors will be held on or before 13 February 2020 unless the Court extends this date. It is at this meeting that creditors will consider the Administrators' report and consider resolutions regarding the Group's future.

7 Creditor rights

Enclosed at **Annexure G** is an information sheet setting out your rights as a creditor in the administration of the Group, including:

- Making reasonable requests for a meeting or information;
- Giving directions to the Administrators; and
- Appointing a reviewing Liquidator or replacing the Administrators.

8 Administrators' remuneration

For the purposes of the administration of the Group, the Administrators' remuneration will be determined on the basis of time spent by the Administrators and the Administrators' staff of an appropriate level having regard to the nature and complexity of the work, and calculated by reference to hourly rates.

Enclosed at **Annexure H** for your information is the Administrators' Initial Remuneration Notice which sets out the four basic methods of calculating remuneration together with an explanation as to why the time based (hourly rates) method is appropriate in this administration.

An information sheet concerning approval of remuneration in external administrations can be obtained from the ASIC at www.asic.gov.au.

We estimate fees for the administration of the Group's affairs at \$900,000 to \$1.26m plus any applicable GST.

It should be noted that if, during the course of the administration, any unanticipated issues arise, it may be necessary to revisit the fee estimate. In the event that we become aware that our costs will exceed this amount we will advise you accordingly.

9 Electronic notification

You may elect to receive future notices or other documents, including circulars and reports regarding the administration via email. Should you wish to do so, please tick the box on the attached Form 535 – Proof of Debt (**Annexure B**). Alternatively, email Luke Meany of this office at lmeany@kpmg.com.au with the following information:

- The person to whom matters regarding the administration should be directed.
- The full name of the creditor entity.
- The email address at which the creditor is to receive future correspondence.

10 Further information

For further information concerning the Voluntary Administration process and KPMG, you may wish to visit our website at www.kpmg.com.au. In addition, you can access general information about external administrations and insolvency from ARITA's website at www.arita.com.au.

Questions regarding the administration should be directed to Luke Meany of this office on +61 2 9346 6066 or by email at lmeany@kpmg.com.au.

Yours faithfully



Gayle Dickerson
Administrator

Encl.

Annexure A

Notice of first meeting of creditors of company under administration

Insolvency Practice Rules (Corporations) 2016, Section 75-15

McWilliam's Wines Group Ltd
ACN 000 024 108

Mount Pleasant Wines Pty Ltd
ACN 000 024 813

(Both Administrators Appointed) (Collectively referred to as "the Group")

1. Notice is given that on 8 January 2020, Tim Mablesen, Ryan Eagle and Gayle Dickerson of KPMG, Tower Three, International Towers Sydney, 300 Barangaroo Avenue, Sydney, NSW were appointed as the Administrators of the Group pursuant to section 436A of the Corporations Act (**Act**).
2. Notice also is given that a meeting of the creditors of the Group will be held at the Lyceum Room, Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000 on 20 January 2020 at 11:00am.
3. The purpose of the meeting is to determine:
 - 3.1 Whether to appoint a committee of inspection; and
 - 3.2 If so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - 4.1 Remove the Administrators from office; and
 - 4.2 Appoint someone else as Administrator of the Group.

Creditors wishing to vote at the meeting, who will not be attending in person or is a company, must complete and return a Proxy Form by no later than 4pm on the last business day prior to the meeting, by email to lmeany@kpmg.com.au, by post to PO Box H67, Australia Square, SYDNEY NSW 1215 or by facsimile to +61 2 9335 7001. A Proxy Form is enclosed.

For creditors who are unable to attend the meeting, a conference call facility will be available to observe the meeting. Please note that creditors observing the meeting will not be considered as attendees and will not be able to vote or participate in the meeting. If you wish to vote or participate, you must attend in person or by proxy. Please contact KPMG by email at lmeany@kpmg.com.au or by telephone to +61 2 9346 6066 at least one business day prior to the meeting to advise that you will be using the conference facilities and to be provided with the conference call code.

Dated this 9th day of January 2020

Gayle Dickerson

Gayle Dickerson
Administrator

c/- KPMG
Tel: +61 2 9346 6066
Fax: +61 2 9335 7001
Email: lmeany@kpmg.com.au

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
3. A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) 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.
4. A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
6. A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the Group directly, or may be liable to the Group on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

Annexure B

Form 535 Formal Proof of Debt or Claim Form

Corporations Act 2001, Regulation 5.6.49(2)

Return to:
KPMG, PO Box H67, Australia Square, SYDNEY NSW 1215
Tel: +61 2 9346 6066
Fax: +61 2 9335 7001
Email: lmeany@kpmg.com.au

Indebted Company: Please tick relevant company box below

Date of Appointment: 8 January 2020

<input type="checkbox"/> McWilliam's Wines Group Ltd (Administrators Appointed) ACN 000 024 108	<input type="checkbox"/> Mount Pleasant Wines Pty Ltd (Administrators Appointed) ACN 000 024 813
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A. Name and Contact Details of Creditor

¹ _____ (the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of _____

(insert address)

³ Tel: _____ ⁴ Email: _____

☐ Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

B. Details of Debt or Claim

¹ Amount owing: _____

(insert dollars and cents, inclusive of GST if applicable)

² Nature of Debt or Claim: _____

(insert description of debt and/or reference any supporting documentation)

³ Select one of the following options:

- ☐ The Creditor is an unsecured creditor of the indebted Company
- ☐ The Creditor is a secured creditor of the indebted Company
- ☐ The Creditor is an employee / former employee of the indebted Company

For all claims:

- ☐ ⁴ I have attached supporting documentation to substantiate the Creditor's claim *(secured creditors must attach evidence of security)*
- ☐ ⁵ To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following:

(insert details and value of security where relevant)

C. Signature

¹ Dated: _____

² Signature: _____

³ Name / Capacity: _____

Creditor Assistance Sheet: Completing a Proof of Debt Form

Section A – Name and Contact Details of Creditor

1. Insert the full name of the employee, individual, sole trader, partnership or Group that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Group that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Group that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Group that the debt is owed to.

Section B – Details of Debt or Claim

1. The amount owing should only include debts or claims which arose prior to the date of appointment.
2. Insert the currency if not Australian dollars.
3. Type of creditor: tick one of the options only.
4. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
5. For secured creditors, insert particulars of all securities held. If the securities are on the property of the Group, assess the value of those securities. If any bills or other negotiable securities are held, indicate “refer attached” above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

Section C – Signature Instructions

1. Insert the date that the proof of debt form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a Group, then a duly authorised office of the Group (normally a director or secretary of the Group).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a Group, note their capacity as director or secretary, eg: “[Full name], director/secretary of the Group named in Section A above”]

Annexure C

Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return no later than 4:00pm on 17 January 2020 to:
KPMG PO Box H67 , Australia Square, SYDNEY NSW 1215
Tel: +61 2 9346 6066
Fax: +61 2 9335 7001
Email: lmeany@kpmg.com.au

Indebted Company: Please tick relevant company box below

Date of Appointment: 8 January 2020

<input type="checkbox"/> McWilliam's Wines Group Ltd (Administrators Appointed) ACN 000 024 108	<input type="checkbox"/> Mount Pleasant Wines Pty Ltd (Administrators Appointed) ACN 000 024 813
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A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹
(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)
² of
(address)
³ Tel: ⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint
²
(name of person appointed as proxy)
³ ⁴ or in his / her absence
(address of person appointed as proxy)
⁵
(name of person appointed as alternate proxy)
⁶ ⁷ as *my / *our proxy
(address of person appointed as alternate proxy)

to vote at the joint meeting of creditors to be held at the Lyceum Room, Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000 on Monday, 20 January 2020 at 11:00am, or at any adjournment of that meeting in accordance with the instructions in Section C below.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our:

- ☐ ² general proxy, to vote on *my / *our behalf and / or
☐ ³ special proxy, to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:
² Signature:
³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proxy Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or Group that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Group that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Group that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Group that the debt is owed to.

Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/Group is a creditor, cross out ‘*eligible employee creditor’, ‘*contributory’, ‘*debenture holder’ and ‘*member’.
2. Insert the name of the person who will be exercising the creditor’s vote at the meeting. If someone is attending the meeting in person, that person’s name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words ‘the Chairperson’ here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected ‘the Chairperson’ because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting ‘the Chairperson’.
6. Insert the address of the second person here. If you have elected ‘the Chairperson’, leave this row blank.
7. Cross out any wording that is not applicable.

Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an ‘X’ in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the ‘Resolution’ table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an ‘X’ in the special proxy box and select ‘For’, ‘Against’ or ‘Abstain’ on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected ‘For’, ‘Against’ or ‘Abstain’.
3. Insert an ‘X’ in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select ‘For’, ‘Against’ or ‘Abstain’ for each of the resolutions in the ‘Resolution’ table. Do not tick more than one box for each resolution.

Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a Group, then a duly authorised office of the Group (normally a director or secretary of the Group).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a Group, note their capacity as director or secretary, eg: “[Full name], director/secretary of the Group named in Section A above”]

Annexure D – only to be completed if you wish to nominate a member to the COI (if one is appointed)

Nomination Form – Committee of Inspection

Section 80-55 of Schedule to the Corporations Act 2001

Return no later than 4:00pm on 17 January 2020 to:
KPMG PO Box H67, Australia Square, SYDNEY NSW 1215
Tel: +61 2 9346 6066
Fax: +61 2 9335 7001
Email: lmeany@kpmg.com.au

Indebted Company: Please tick relevant company box below

Date of Appointment: 8 January 2020

<input type="checkbox"/> McWilliam's Wines Group Ltd (Administrators Appointed) ACN 000 024 108	<input type="checkbox"/> Mount Pleasant Wines Pty Ltd (Administrators Appointed) ACN 000 024 813
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A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of Group, etc)

² of

(address)

³ Tel:

⁴ Email:

B. Nomination of Person as Member of Committee of Inspection, if one is appointed

I/We, as named in Section A above, nominate

¹

(name of person nominated as member of Committee of Inspection, if one is appointed)

²

(address of person nominated as member of Committee of Inspection, if one is appointed)

³

(email address of person nominated as member of Committee of Inspection, if one is appointed)

C. Declaration in relation to Transactions with the Indebted Group

During the external administration, I/We, as named in Section A above, contemplate entering into the following transactions with the Indebted Group during the external administration¹:

☐

continuance of service and/or supply agreements as detailed below:

.....

☐

potential acquisition of the business and/or assets of the Indebted Group

☐

other – please provide details below:

.....

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Committee of Inspection Nomination Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or Group that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Group that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Group that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Group that the debt is owed to.

Section B – Nomination of Person as Member of Committee of Inspection, if one is appointed

1. Insert the name of the person who is being nominated by the creditor as the member of the Committee of Inspection.
2. Insert the address of the person nominated at (1).
3. Insert the email address of the person nominated at (1).

Section C – Declaration in relation to Transactions with the Indebted Group

1. Indicate the type of transactions contemplated between the person/entity named in Section A and the Indebted Group during the course of the external administration.

Section D – Signature Instructions

1. Insert the date that the nomination form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a Group, then a duly authorised office of the Group (normally a director or secretary of the Group).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a Group, note their capacity as director or secretary, eg: “[Full name], director/secretary of the Group named in Section A above”]

Annexure E

Corporations Act 2001
Sections 436DA, 449CA

McWilliam's Wines Group Ltd
ACN 000 024 108

Mount Pleasant Wines Pty Ltd
ACN 000 024 813

(Both Administrators Appointed) (Collectively referred to as "the Companies")

Declaration of Independence, Relevant Relationships and Indemnities

Practitioner/s appointed to an insolvent entity are required to make declarations as to:

- A. Their independence generally;
- B. Relationships, including
 - i. the circumstances of the appointment;
 - ii. any relationships with the companies and others within the previous 24 months;
 - iii. any prior professional services for the companies within the previous 24 months;
 - iv. that there are no other relationships to declare; and
- C. Any indemnities given or upfront payments made to the practitioner(s).

This declaration is made in respect of ourselves, our partners, KPMG Australia and related parties covered by the extended definition of the firm (collectively **KPMG**).

A. Declaration of independence

We, Gayle Dickerson, Tim Mableson and Ryan Eagle, and KPMG have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Administrators of the Companies in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

If any conflict arises, we will seek independent legal advice or court directions if appropriate.

If this declaration needs to be updated we will issue written notice to all known creditors as set out in the records of the Companies or as otherwise known to us.

B. Declaration of Relationships

- i. Circumstances of appointment

We were directly referred this matter by an executive consultant to the Companies, who contacted us on behalf of the Board. We had the following meetings prior to our appointment:

- 5 September 2019 – meeting with Marcus Derwin (**MD**) (executive consultant to the Board) and MWG directors; Karen McWilliams (**KM**) and Lisa Ashton (**LA**).

- 26 November 2019 – meeting with MD and MWG directors and staff James Brayne (**JB**), LA, Beverley Lennox (**BL**) and David Pitt (**DP**).
- 16 December 2019 meeting with MD and BL.
- 24 December 2019 – meeting with MD and BL.
- 6 January 2019 and 7 January 2019 – meeting with MD and JB, LA, BL and DP.

The purpose of the meetings were to:

- Explain the various options available to the Companies and the nature and consequences of an insolvency appointment.
- Obtain sufficient information about the financial position of the Companies.
- Undertake contingency planning for a possible appointment as voluntary administrators.
- Provide a consent to act.

No explicit advice was given and we received no remuneration for the above interactions.

These communications do not affect our independence for the following reasons:

- KPMG's advice was limited to assessing the financial position of the Companies, the consequences of insolvency and restructuring options.
- Advice was given to the Companies only. We did not advise the directors personally or others.
- The Courts and the Code specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or an impediment to accepting the appointment.
- The nature of the advice is such that it would not be subject to review and challenge during the administration.
- The pre-appointment advice will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner.

We have provided no other information or advice to the Companies, the directors and the advisors prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

We or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Assetsecure Pty Ltd (Assetsecure)	<p>Assetsecure holds an All Present and After-Acquired Property security interest over the Companies accounts receivables.</p> <p>KPMG has undertaken a number of advisory engagements for Assetsecure in the usual course of business.</p> <p>KPMG provides periodic assessments of Assetsecure's clients account receivables.</p> <p>KPMG was engaged on 3 November 2017, 23 March 2018, 27 September</p>	<p>We do not consider previous advisory engagements accepted for Assetsecure to present a conflict as:</p> <ul style="list-style-type: none"> – The role undertaken by KPMG for Assetsecure will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of the Companies in an objective and impartial manner. – We are not paid any commissions, inducements or benefits to undertake any engagements with Assetsecure and do not consider

	2018, 30 April 2019 and 16 September 2019 to provide periodic assessments of the Companies accounts receivable under the terms of the Assetsecure facility. This work is limited to solely reviewing the Companies accounts receivable ledger at a specified point in time.	<p>ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>– There is no relationship with Assetsecure which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>
Margaret River Wine Production Pty Ltd trading as Margaret River Vintners (MRWP)	MRWP holds an All Present and After-Acquired Property security interest over the Companies assets.	<p>KPMG has not undertaken work for MRWP in respect to the Companies.</p> <p>We are not paid any commissions, inducements or benefits to undertake any engagements with MRWP and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <p>There is no relationship with MRWP which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.</p>

Appointments to related parties

As detailed in this Declaration, the Administrators have been appointed as Voluntary Administrators of each of the Companies. The Administrators are of the view that the appointment to two (related) companies will have significant benefits to the conduct of the administrations, particularly in that this will provide for cost savings and enable an accurate as possible view to be obtained of the activities and financial position of the group as a whole.

The Administrators are aware there were intercompany transactions, but at this time are not aware of any potential conflicts of interest arising from the appointments over the Companies. However, to the extent it becomes apparent that pre-appointment dealings between the Companies may give rise to a conflict which may impact the outcome for creditors of either company, then the Administrators undertake to disclose any such conflicts to creditors and as appropriate, seek Court directions as to the means of resolving the potential conflict.

iii. Prior professional services to the Companies

KPMG (lead by a former Partner who has since left KPMG) was engaged to undertake a comparison of term sheets received by MWG from the two parties who had put forward recapitalisation proposals during the period 23 August 2018 through to 6 September 2018. KPMG presented the output of its work to the Board of Directors on 30 August 2018. KPMG's role concluded on 6 September 2018. KPMG received \$39,440.23 (including GST) in remuneration for this engagement.

The services rendered by KPMG, in our opinion, do not affect our independence for the following reasons:

- The engagement was limited in scope; time and fees;
- KPMG's role was limited to a factual comparison of the term sheets received by MWG from the two parties who had put forward recapitalisation proposals, and no recommendations were made to the Board;
- KPMG did not provide ongoing services to MWG;
- The engagement will not affect or influence our ability to fully comply with the statutory and fiduciary obligations associated with the administration in an objective and impartial manner;
- The nature of the advice is such that it would not be subject to review or challenge during the administration.

Neither we nor KPMG have provided any other professional services to the Companies in the previous 24 months other than what has been disclosed.

iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, within the previous two years with the Companies, an associate of the Companies, a former insolvency practitioner appointed to the Companies or any person or entity that has a security interest over the whole or substantially the whole of the Companies property that should be disclosed besides what has already been disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute. We have not received any upfront payments in respect of our remuneration or disbursements.

This does not include statutory indemnities. We have not received any other indemnities or upfront payments that should be disclosed.

Dated this 9th day of January 2019



Gayle Dickerson
Administrator



Tim Mablesen
Administrator



Ryan Eagle
Administrator

Note:

If circumstances change, or new information is identified, we are required under Subsection 436DA(5) and 449CA(5) of the Act and the Code to update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Companies' creditors.

Any relationships, indemnities or up-front payments disclosed in the declaration must not be such that the practitioner is no longer independent. The purpose of components B and C of the declaration is to disclose relationships that, while they do not result in the practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the practitioner nevertheless remains independent.

Annexure F

Short guide to the Personal Property Securities Act

What is Personal the Property Securities Act?

The Personal Property Securities Act 2009 (PPSA) established national legislation governing security interests in personal property. It replaced a large number of existing Commonwealth, State and Territory laws. "Personal Property" is any property that is not "Real Property" being land and buildings or fixtures. Personal Property generally includes all property (tangible and intangible) other than land, fixtures, most water rights and some statutory licences. It includes goods or inventory, intellectual property, shares, debts and contractual rights.

There is a single national Register for parties to record their interests in personal property, called the Personal Property Securities Register (PPSR); on which all security interests in personal property can be registered. The PPSR replaced a number of State and Commonwealth registers, including the ASIC Register of Group Charges and all State Registers of Encumbered Vehicles (REVs). Any holder of a security interest in a personal property must register to ensure they have a priority to claim that property.

The PPSA has changed the way security interests are dealt with across Australia. Legal title to personal property in some situations is no longer enough to protect owners, as this legislation overturns fundamental personal property law concepts.

What is a 'Security Interest'?

A security interest is an interest in personal property, created by a transaction that secures payment or performance of an obligation.

Security interests can include:

- Interests of owners in assets leased to other parties;
- Interests of sellers of goods subject to hire purchase agreements;
- Interests of suppliers in stock delivered but subject to retention of title arrangements.

The PPSA states that a security interest exists regardless of the form of the transaction, or the identity of the person who has title to the property. The concept of a security interest under PPSA covers a broader range of interests than traditional security concepts.

If you have a security interest, it must be perfected. If you have not perfected your security interest, usually by registration on the PPSR, you may lose the ability to enforce your claim.

How does PPSA impact your business?

There are some significant implications for businesses arising from the PPSA, for example:

Retention of title arrangements

Some transactions that were not previously security interests are now registrable on the PPSR. For example, if you sell goods on retention of title terms, you may need to review your terms of trade and register an interest on the PPSR to protect your interest in stock delivered but not paid for.

Leases

Under the PPSA, 'title' or 'ownership' of goods can have a lower status than possession or control of goods if the owner of the goods has not registered their interest on the PPSR. You should register your security interest to 'perfect' your rights. If you do not register, then you may not be able to recover your goods or receive payment if the customer becomes insolvent. You may also lose your rights to another creditor of the customer who has 'perfected' their security interest over the property.

You should seek legal advice about the implications of the PPSA to your individual circumstances.

SecuriSearch is an Android, iOS and Windows application allowing users to search and review the PPSA quickly and easily from a mobile device. Visit our website at: <http://www.securisearch.com.au/>

This document is intended to provide commentary and general information only. It is not intended to provide legal or professional advice, is not intended as a substitute for legal or professional advice, and should not be relied upon as such. Readers of this document should seek their own legal or professional advice with respect to their own circumstances

Creditor Rights in Voluntary Administrations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

Creditors have the right to request information at any time. A voluntary administrator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the voluntary administration, and the provision of the information would not cause the voluntary administrator to breach their duties.

A voluntary administrator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the voluntary administrator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

If a voluntary administrator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons for not complying.

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

The cost of the reviewing liquidator is paid from the assets of the voluntary administration, in priority to creditor claims. An individual creditor can appoint a reviewing liquidator with the voluntary administrator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of Group arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the Group into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator. These additional costs of appointing another registered liquidator are paid from the assets of the deed of Group arrangement or liquidation, in priority to creditor claims.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

Annexure H

**McWilliam's Wines Group Ltd
ACN 000 024 108**

**Mount Pleasant Wines Pty Ltd
ACN 000 024 813**

(Both Administrators Appointed) (Collectively referred to as "the Group")

Initial Remuneration Notice

The purpose of the Initial Remuneration Notice is to provide you with information about how the Administrators' remuneration for undertaking the administration will be set.

1 Remuneration methods

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

1.1 Time based (hourly rates)

This is the most common method. The total fee charged is calculated by reference to the hourly or time unit rate charged for each person who carries out the work multiplied by the number of hours spent by each person on necessary work properly performed.

1.2 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.

1.3 Percentage

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

1.4 Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome.

2 Remuneration method chosen

Given the nature of this administration, we propose that the remuneration of the Administrators be calculated using the time based method. Time based remuneration is appropriate in this administration given:

- It ensures actual time is billed at an hourly rate applicable to staff experience;
- It ensures that remuneration claimed is only for necessary work properly performed in the administration; and
- It covers tasks required to be undertaken in the administration which not only relate to asset realisations but also to reporting requirements and other tasks of an administrative or statutory nature.

3 Explanation of hourly rates

The hourly rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take. The

hourly rates encompass the total cost of providing professional services and should not be compared to an hourly wage.

Title	Rate \$/hour	Experience
Partner / Appointee	\$695	The Partner / Appointee is a registered liquidator and member of CAANZ and, generally, ARITA, bringing specialist skills to the liquidation or insolvency task. Generally in excess of 15 years' experience.
Director	\$625	Generally, minimum of 10 years' experience at least 2 years of which is to be at Manager level. University degree; member of CAANZ and, generally, ARITA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues. Answerable to the appointee, but otherwise responsible for all aspects of an Administration.
Associate Director	\$575	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of CAANZ and, generally, ARITA; very strong knowledge of relevant insolvency legislation and issues. Will have conduct of minor to medium administrations and experience in control of small to medium team of staff. Assists with the planning and control of large administrations.
Manager	\$525	Generally, 5 to 7 years' chartered accounting or insolvency management experience. University degree; member of CAANZ and, generally, ARITA; sound knowledge of relevant insolvency legislation and issues. Will have conduct of minor administrations and experience in control of a small team of staff. Assists with the planning and control of medium to large administrations.
Executive	\$450	Generally, 3 to 5 years' chartered accounting or insolvency management experience. University degree; completing CAANZ's CA program. Good knowledge of basic insolvency legislation and issues. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Analyst	\$375	Generally, one to 2 years' chartered accounting or insolvency management experience. University degree, CAANZ's CA program commenced. Required to control tasks on small administrations and is responsible for assisting with medium to large administrations under the supervision of more senior staff.
Personal Assistant / Other	\$250	Appropriate skills, including books and records management and accounts processing particular to the administration.

Notes:

- The hourly rates are exclusive of GST.
- The guide to staff experience is intended only as a general guide to the qualifications and experience of staff engaged in the administration. Staff may be engaged under a classification considered appropriate for their experience.
- Time is recorded and charged in six-minute increments.
- Creditor approval will be sought prior to the application of any new rates to this administration.

4 Estimated remuneration

We estimate fees for the administration of the Group's affairs at \$900,000 to \$1.26m, plus applicable GST.

It should be noted that if, during the course of the administration, any unanticipated issues arise, it may be necessary to revisit the fee estimate. Furthermore, this estimate assumes no extension of the Administration period by either an application to Court or an adjournment of the second meeting. In the event that we become aware that our costs will exceed this amount we will advise you accordingly.

5 Disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by KPMG may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be justified that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
eDiscovery services	Variable
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2020. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB

Data room hosting fees by size (MB)	Charges per month (excl GST)
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

Dated this 9th day of January 2020

Gayle Dickerson

Gayle Dickerson
Administrator