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28 February 2020

## To Creditors

**McWilliam's Wines Group Ltd ACN 000 024 108**  
**Mount Pleasant Wines Pty Ltd ACN 000 0124 813**  
**(Administrators Appointed) (collectively 'the Group' or 'the Companies')**

### **Notice of intention to make an application for relief pursuant to sections 447A(1) and 588FM of the Corporations Act 2001 and section 90-15 of Schedule 2, the Insolvency Practice Schedule (Corporations)**

We refer to the appointment of Gayle Dickerson, Tim Mableson and Ryan Eagle as the joint and several Administrators of the Group pursuant to Section 436A of the *Corporations Act 2001* (**'the Act'**).

The purpose of this letter is to inform creditors of the Administrators' intention to make an application to the Federal Court of Australia for relief pursuant to sections 447A and 588FM of the Act and section 90-15 of Schedule 2, the Insolvency Practice Schedule (Corporations) (**IPS**) in relation to:

1. an Administrators' Funding Agreement dated 17 February 2020 entered into by the Administrators with Gordon Brothers Pty Ltd (**Funding Agreement**) for the purpose of:
  - a. discharging the Groups' indebtedness to its largest secured creditor, Margaret River Wine Production Pty Ltd (**MRWP**) and the securities held by MRWP over the assets of the Companies; and
  - b. bringing an end to the appointment by MRWP of the Receivers and Managers to the assets and undertaking of each the Companies (**Receivers**) on 14 February 2020 (which occurred on 18 February 2020).
2. a General Security Deed dated 17 February 2020 entered into by the Administrators on behalf of the Companies with Gordon Brothers Pty Ltd to secure the obligations under the Funding Agreement (**General Security Deed**).

The Administrators consider that the entering into the Funding Agreement and the General Security Deed to be in the best interests of the creditors for, among other things, the following key reasons:

1. the discharge of the Groups' indebtedness to MRWP, the securities held by MRWP and the retirement of the Receivers ensures that:
  - a. the Administrators can continue to trade the business of the Companies (including the production and completion of the '2020 Vintage') with a view to maximising the value any sale of the businesses of the Companies as a going concern to ensure a better return to creditors;
  - b. the current expressions of interest and sale of business campaign can be completed;
  - c. duplicative costs of different insolvency practitioners (both the Administrators and the Receivers and Managers) in the external administration of the Companies are avoided; and
  - d. sufficient time is allowed for the Administrators' investigations to be concluded, to enable the Administrators to form a view and make their recommendations to creditors about the future of the

Companies and for the Administrators to prepare and provide their Report to Creditors pursuant to section 75-225 of the Insolvency Practice Rules (Corporations).

The application seeks, in substance, orders:

1. that the Administrators' liability for the debts of the Companies now owed to Gordon Brothers Pty Ltd, be limited to the assets available to the Companies (that is, limiting the personal liability of the Administrators that otherwise operates by reason of section 443A of the Act); and
2. extending the period for the security of Gordon Brothers Pty Ltd under the General Security Deed so that its security over the assets of the Companies is effective.

If you have any issues or concerns relating to the Administrators' proposed application, including whether you wish to appear at the application or otherwise be heard as to the relief sought, please contact the Administrators or Tim Hoskin of my office by email at [thoskin2@kpmg.com.au](mailto:thoskin2@kpmg.com.au).

It is likely that the proposed application may be heard as early as the week of 2 March 2020. Accordingly, please be in contact as soon as possible if you require further information or indicate that you wish to be heard.

Yours faithfully



**Gayle Dickerson**  
Administrator