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11 March 2020

To Creditors

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

Notification to creditors of Orders obtained 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)

As you are aware, Gayle Dickerson, Tim Mableson and Ryan Eagle were appointed as the joint and several Administrators of the Group pursuant to Section 436A of the *Corporations Act 2001* ('the Act').

On 28 February 2020 we wrote to all creditors advising of our 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**).

We made an application to the Federal Court of Australia on 4 March 2020 seeking relief in this respect. On 9 March 2020, Justice Gleeson of the Federal Court of Australia handed down the attached Orders granting a modification of the Administrators' liabilities for the Group in relation to the Gordon Brothers Funding Agreement and for fixing the time for registration of the collateral (being 16 March 2020), the subject of security interests granted to Gordon Brothers. Her Honour was satisfied that there were sufficient grounds to make Orders pursuant to:

1. Section 447A of the Act and section 90-15 of the Insolvency Practice Schedule (Corporations) limiting the Administrators' liability in relation to the Funding Agreement to the assets available to the Companies; and
2. Section 588FM of the Act extending the period for the registration of the security of Gordon Brothers under the General Security Deed.

A copy of the Orders is enclosed and is also available via the following link: www.kpmg.com/au/mcwilliams.

Should you have any questions, please contact Tim Hoskin of this office on +61 3 8663 8783 or via email at thoskin2@kpmg.com.au.

Yours faithfully

Gayle Dickerson

Gayle Dickerson
Administrator

Encl.



Federal Court of Australia

District Registry: New South Wales

Division: General

No: NSD92/2020

IN THE MATTER OF MCWILLIAM'S WINES GROUP LTD (ADMINISTRATORS APPOINTED) ACN 000 024 108 AND MOUNT PLEASANT WINES PTY LTD (ADMINISTRATORS APPOINTED) (ACN 000 024 813)

Gayle Dickerson, Tim Mableson and Ryan Eagle in their capacity as joint and several Administrators of McWilliam's Wines Group Ltd (Administrators Appointed) (ACN 000 024 108) and Mount Pleasant Wines Pty Ltd (Administrators Appointed) (ACN 000 024 813), and others listed in the Schedule

First Applicants

ORDER

JUDGE: JUSTICE GLEESON

DATE OF ORDER: 09 March 2020

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 447A(1) of the *Corporations Act 2001* (Cth) (**the Act**), Part 5.3A of the Act is to operate in relation to the Applicants as if s 443A(1) of the Act provides that:
 - (a) the liabilities of the First Applicants (in their capacities as administrators of each of the Second Applicant and the Third Applicant) (**the Administrators**) incurred under the "Administrators' Funding Agreement" dated 17 February 2020 in the form exhibited at pages 197 to 266 of Exhibit GD3 to the affidavit of Gayle Dickerson sworn 3 March 2020 (**Funding Agreement**), including monies borrowed, interest incurred in respect of monies borrowed and borrowing costs, are in the nature of debts incurred by the Administrators in the performance and exercise of their functions as joint and several administrators of each of the Second Applicant and Third Applicant (**the Companies**); and



- (b) notwithstanding paragraph (a), if the property and assets of the Companies (where relevant) are insufficient to satisfy the debts and liabilities incurred by the Administrators arising out of or in connection with the Funding Agreement, including in relation to any monies advanced under the Funding Agreement, whether before the making of this order or after, such that the indemnity that exists under s 443D of the Act is insufficient to meet any amount for which the Administrators may be liable, then the Administrators will not be personally liable to repay such debts or satisfy such liabilities to the extent of that insufficiency.
2. Pursuant to section 588FM of the Act, in respect of any security interests created, granted by or in connection with the "General Security Deed" dated 17 February 2020 in the form exhibited at pages 267 to 299 of Exhibit GD3 to the affidavit of Gayle Dickerson sworn 3 March 2020 (**General Security Deed**), the registration time for the collateral is fixed to be, for the purposes of s 588FL(2)(b)(iv) of the Act, 16 March 2020 (being the time that is the end of 20 business days after the date of the General Security Deed that gives rise to the security interests that come into force).
3. Within two (2) business days after the making of these orders, the Administrators are to provide notice of these orders to:
- (a) all creditors of the Companies (including the persons claiming to be creditors of the Companies) in the following manner:
- (i) where the Administrators:
- (A) have an email address for a creditor, by sending the Notice by email to each such creditor;
- (B) do not have an email address for a creditor (or have received notification of non-delivery of a notice sent in reliance on subparagraph (A) above) but have a postal address for the creditor, by sending the Notice by posting a copy of it to the postal address for each such creditor; and
- (C) do not have an email address for a creditor or a postal address, by sending or communicating the Notice to the creditor in any



other way provided for by the Act or the *Insolvency Practice Rules 2016*;

- (ii) by publishing a notice on the KPMG website at <https://home.kpmg/au/en/home/services/advisory/deal-advisory/services/restructuring/creditors-shareholders/mcwilliams-wines-group.html>; and
 - (b) the Australian Securities and Investments Commission (**ASIC**).
4. Liberty to apply be granted to any person claiming to be interested, including any creditor of the Companies (including a person claiming to be a creditor of the Companies) and ASIC, to make any application as he, she or it may be advised to vary or discharge these orders on three (3) business days' notice to the Applicants and to the Court.
5. An order that the Applicants' costs of and incidental to this application be costs and expenses in the administration of the Companies and be paid out of the assets of the Companies.

Date that entry is stamped: 09 March 2020


Registrar



Schedule

No: NSD92/2020

Federal Court of Australia

District Registry: New South Wales

Division: General

Second Applicant MCWILLIAM'S WINES GROUP LTD (ADMINISTRATORS
APPOINTED) (ACN 000 024 108)

Third Applicant MOUNT PLEASANT WINES PTY LTD (ADMINISTRATORS
APPOINTED) (ACN 000 024 813)