



Level 38 Tower Three
300 Barangaroo Avenue
SYDNEY NSW 2000

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001

PO Box H67
Australia Square
SYDNEY NSW 1215
Australia

www.kpmg.com.au

10 December 2020

Notice to Current Employees

**McWilliam's Wines Group Ltd ACN 000 024 108 (McWilliam's)
Mount Pleasant Wines Pty Ltd ACN 000 024 813
(Both previously Subject to Deed of Company Arrangement) (Collectively referred to as "the Companies" or "the Group")**

We refer to the appointment of Gayle Dickerson, Tim Mablesen and Ryan Eagle as joint and several Administrators of the Group and subsequent appointment as joint and several Deed Administrators of the Group on 3 August 2020.

1.1 Non-completion of DOCA

As you are aware the Group and MCW BidCo Pty Ltd (**MCW**) executed a Deed of Company Arrangement (**DOCA**) on 3 August 2020.

Under the executed DOCA, there was a sunset date of 30 November 2020 for completion of the Conditions Precedent under the DOCA. The Conditions Precedent were satisfied by the Deed Administrators on 27 November 2020 and MCW had a period of 5 business days after 27 November 2020 to take the implementation steps required by the DOCA (including payment of the amounts payable by MCW to the Deed Administrators' account in accordance with the terms of the DOCA) in order to complete the DOCA. This was unable to be achieved with MCW requesting an extension to 5pm on 8 December 2020, which was granted after consultation with McWilliam's Committee of Inspection. MCW requested a further extension to 5pm on 15 December 2020 (**Further Extension**).

After consultation with the Committee of Inspection, the Deed Administrators granted the Further Extension on the following conditions:

1. a non-refundable amount of \$500,000 was paid by MCW to the Deed Administrators by close of business, Wednesday 9 December 2020; and
2. MCW provided the Deed Administrators with unequivocal evidence in writing from its investors that funds were immediately available to make payment of the amounts payable by MCW to the Deed Administrators' account in accordance with the terms DOCA by close of business, Wednesday 9 December 2020.

MCW failed to adhere to the conditions set out in 1 and 2 above.

Accordingly, we regret to advise that the DOCA has not been able to be completed as per the terms of the DOCA.

We advise that the Deed Administrators were willing and able to complete the DOCA on 27 November 2020 and have been since that date.

1.2 Continued trading and sale of business

The Deed Administrators are currently assessing the options available including sale of the business while continuing to trade the business. Accordingly, the business will continue to trade in the same manner as during the Administration to date.

There will be no change in employment for all current employees with employment continuing with McWilliam's on the same terms and conditions.

Wages will continue to be paid in the usual manner and annual leave may be taken as normal if it has already been booked. You should apply for leave as per the standard process pre-administration.

Should you have any queries please contact your EXCO representative in the first instance. We will continue to provide regular updates.

1.3 Next steps

The Deed Administrators are currently determining the future of the DOCA and will be calling a meeting of creditors shortly. Correspondence to convene a meeting of creditors will be issued shortly for that purpose.

If you are approached by media, please direct these requests to Sarah Belin of KPMG at sbelin@kpmg.com.au.

We appreciate that these are difficult times and we take this opportunity to again thank you for your ongoing support and hard work during the Deed Administration.

If you have additional queries, please continue to speak with your in-business leaders or alternatively, contact Irene Tang of this office by email at itang2@kpmg.com.au or on 02 9273 5594.

Yours faithfully



Gayle Dickerson
Deed Administrator