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22 February 2021

To Creditors

Dear Sir/Madam

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

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

Resumed meeting of creditors

As set out in our most recent circular to creditors dated 15 February 2021 (**Circular**), a meeting of the Group's creditors held concurrently was convened on 2 February 2021 (**the Meetings**). At the Meetings, it was determined by the Chairperson that the Meetings should be adjourned for a period of up to 15 business days pursuant to rule 75-140(5) of the Insolvency Practice Rules (**IPR**).

The Meetings are scheduled to resume at **2:30PM (AEDT) on Tuesday, 23 February 2021 (Resumed Meetings)** as per our notice of meeting dated 15 February 2021.

Background

In our Circular, we advised creditors that as a matter of process, creditors should resolve to terminate the existing DOCA and place the Group into liquidation at the Resumed Meetings.

Since the Circular and in consideration of the current status of the sale negotiations, contracts and business trading, as much flexibility as possible is required to ensure the best outcome for the Group's stakeholders which would not be possible in a liquidation of the Group.

Accordingly, after consultation with our legal advisors, on 19 February 2021, we lodged an urgent application to the Federal Court of Australia to seek Orders to allow us to further adjourn the Meetings to 30 April 2021 (with the option to resume the Meetings earlier as needed to align with the settlement of a sale transaction) (**Application**). The Application was also served on the Australian Securities and Investments Commission (**ASIC**) on the same day.

Prior to the lodgment of the Application, a Committee of Inspection (**COI**) meeting was convened on short notice to propose a resolution on the proposed extension of the adjournment period of the Meeting from 15 business days in accordance with s 74-140 of the IPR to the period ending 30 April 2021.

All members of the COI voted for the motion and the resolution was passed unanimously.

The reasons for submitting the Application and seeking Orders to allow a further adjournment of the Meetings include:

1. Negotiations with parties are still ongoing. As the sale of the Group's business as a going concern will preserve the majority if not all of the business of the Group, we require the flexibility to finalise negotiations for the best outcome and highest return to the Group's stakeholders;
2. The recent challenging trading environment and feedback from McWilliam's senior management that this may continue to deteriorate if the Group is placed in liquidation given the current uncertainty for customers; and
3. From a sale of business perspective, liquidation may negatively impact the Group's brand, reputation, the perceived value of the business and therefore the return to creditors.

Orders Granting Adjournment

On 22 February 2021, Justice Farrell of the Federal Court of Australia made the attached Orders. The Orders vary the operation of s 75-140 of the IPR permitting a further adjournment of a meeting of creditors of the Group to 30 April 2021.

Next Steps

The Resumed Meeting scheduled for **2:30PM (AEDT) on Tuesday, 23 February 2021**, will proceed as scheduled with the meeting to be procedural in nature. Please refer to our Circular for details on how to attend.

At the Resumed Meeting and in my capacity as chairperson of the meeting, I will be exercising my power under s 75-140 IPR (as varied by the court order) to adjourn the Meetings to 30 April 2021. Should a sale transaction be able to be completed prior to 30 April 2021, we will look to resume the Meetings at an earlier date. Creditors will be provided at least 5 business days' notice prior to the resumed meeting. Further, it is our intention that once the terms of the sale contract are agreed upon, we will report further to creditors providing an estimated return to creditors.

Copies of all correspondence issued to creditors are available via the following link:
www.kpmg.com/au/mcwilliams.

Should you have any queries in relation to the above, please contact Irene Tang on (02) 9273 5594 or via email at mcwilliams@kpmg.com.au.

Yours sincerely,



Gayle Dickerson
Deed 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 (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 000 024 108

GAYLE DICKERSON, TIM MABLESON AND RYAN EAGLE IN THEIR CAPACITY AS JOINT AND SEVERAL DEED ADMINISTRATORS OF EACH OF MCWILLIAM'S WINES GROUP LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 000 024 108 AND MOUNT PLEASANT WINES PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 000 024 813

First Applicants

MCWILLIAM'S WINES GROUP LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 000 024 108

Second Applicant

MOUNT PLEASANT WINES PTY LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 000 024 813

Third Applicant

ORDER

JUDGE: JUSTICE FARRELL

DATE OF ORDER: 22 February 2021

WHERE MADE: Sydney

THE COURT ORDERS THAT:

1. Pursuant to s 447A of the *Corporations Act 2001* (Cth) (**Act**) and/or s 90-15(1) of the *Insolvency Practice Schedule (Corporations)*, being Schedule 2 to the Act, s 75-140 of the *Insolvency Practice Rules (Corporations) 2016* (Cth) (**IPR**) is to operate with respect to the meeting of the creditors of each of McWilliam's Wines Group Ltd (Subject to Deed of Company Arrangement) ACN 000 024 108 and Mount Pleasant Wines Pty Ltd (Subject to Deed of Company Arrangement) ACN 000 024 813 (together, **the Companies**) held concurrently on 2 February 2021 (**Meeting**) as if:



- (a) s 75-140(2) of the IPR omitted the phrase “15 business days” and included, instead of those words, the phrase “61 business days”, to the intent that the last business day is Friday, 30 April 2021; and
 - (b) notwithstanding s 75-140(6) of the IPR, the Meeting, as adjourned, may be resumed at any time before, or within, the period of 61 business days from 2 February 2021, provided that the first applicants give notice of the time and date of the resumption of the Meeting to all persons to whom notice must be given under s 75-10 of the IPR no less than five (5) business days before the resumption of the Meeting.
2. The first applicants are to provide notice of these orders:
- (a) to all creditors of the Companies (including the persons claiming to be creditors of the Companies) in the following manner:
 - (i) within four (4) hours after the making of these orders, by email to each such creditor who has provided an email address to the first applicants for the purposes of receiving notices in the external administration of the companies;
 - (ii) where the first applicants do not have an email address for a creditor (or have received notification of non-delivery of a notice sent in reliance on sub-paragraph (i) above) but have a postal address for the creditor, by post to the postal address for each such creditor within two (2) business days after the making of these orders;
 - (iii) by informing creditors of these orders at the resumption of the adjourned Meeting on 23 February 2021;
 - (iv) within four (4) hours after the making of these orders, 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) by **5 pm (AEDT) on Monday, 22 February 2021** to the Australian Securities and Investments Commission (ASIC).

3. Liberty to apply be granted to any person who can demonstrate sufficient interest, including any creditor of the Companies or 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.
4. The applicants' costs of and incidental to this application be costs in the deed administration of each of the Companies, jointly and severally.

Date that entry is stamped: 22 February 2021

Sia Lagos
Registrar