



*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, MWG directors and staff James Brayne (**JB**), KM, 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>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

	KPMG was engaged on 3 November 2017, 23 March 2018, 27 September 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>undertake any engagements with Assetsecure and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party.</p> <ul style="list-style-type: none"> – 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.
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 17th 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.

