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**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 Group")**

**Employees – Frequently Asked Questions**

**Update No. 3 | 10 March 2020**

For your reference, the Administrators have provided the following responses to Frequently Asked Questions from employees. Copies of these updates are available on the KPMG creditors' website available at [www.kpmg.com/au/mcwilliams](http://www.kpmg.com/au/mcwilliams).

This Update to Employees should be read in conjunction with the Update issued to all employees on 8 January 2020.

**Unpaid pre-appointment entitlements**

**1. What's happening with all accrued entitlements (annual leave, long service leave, RDO's) prior to 8 January 2020?**

All accrued entitlements are frozen except for accrued annual leave [and RDO's]. In the case that an employee has already been approved for annual leave, KPMG will first use the accrued leave post 8 January 2020 and if this balance is not enough to cover for the whole period of leave then they will take the rest of the leave from the accrued leave prior to 8 January 2020.

**2. What is happening with my pre-appointment superannuation payments?**

Superannuation guarantee payments for the last quarter (October – December 2019) have not been paid. This payment will form part of the employees' priority creditor claim against the Group.

KPMG will process superannuation payments from 1 January 2020 in accordance with the normal time frames.

**3. What's happening with employees with Defined Benefits Superannuation?**

KPMG will continue to pay defined benefit contributions.

**4. What's happening with employees with salary sacrifice super arrangements?**

Salary sacrifice superannuation contributions (i.e. amounts above the SCG 9.5%) post administration will continue to be paid as normal.

We note that we have received confirmation from the business that superannuation contributions above SCG for the month of December 2019 were paid prior to our appointment and therefore will not form part of an employee's pre-appointment entitlements..

**5. Other salary sacrifice arrangements (e.g. Novated Leases)**

If there are amounts outstanding relating to other forms of salary sacrifice (e.g. novated leases for the pre-administration period) they will remain unpaid and will form part of your priority creditor claim against the Group. We understand there are no outstanding amounts in relation to Novated Leases. If you have concerns relating to this, we would recommend you contact your fleet manager and Human Resources to discuss arrangements.

**6. When will we be paid our outstanding entitlements?**

Unfortunately, you will not be paid your outstanding pre-appointment entitlements until the sale of the business and assets of the Group has been realised (e.g. completion of any resulting sale or recapitalisation of the business) and the outcome of the administration is known.

The formal sale campaign commenced 10 February 2020, with submissions of expressions of interest due by 31 March 2020. We expect to execute and complete a sale or recapitalisation by June 2020. After completion, we will



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then commence the formal distribution process as required by the Corporations Act 2001 (Cth) which generally take between 8-10 weeks. We will advise employees if this timeline cannot be achieved.

For further information, refer to the section detailing questions relating to resignations, termination and redundancy.

**7. What is the status of our entitlements and salary levels in the event the business is sold?**

The transfer of entitlements and salaries will depend on the outcome of the sale of business process. In general, employees would transfer on equivalent employment terms with years of service recognised and entitlements continuing to accrue (e.g. AL, LSL, sick leave etc.)

**8. What is the priority of employee entitlements (wages, superannuation leave, retrenchment payments) relative to other creditors of the Group?**

Employees, other than directors or their related persons, have a statutory priority of payment in respect of outstanding entitlements. Your entitlements rank ahead of all other pre-appointment creditor claims in respect of proceeds from the realisation of the Group's debtors and inventory.

**Using leave entitlements during the Administration period**

**9. Can I apply for annual leave during period whilst the Group is under Administration?**

Yes, you can.

You will apply for leave as per usual process pre-administration. Once your manager approves your leave through the system, KPMG will check how much leave you have accrued from 8 January 2020 until your first day of leave and if this balance is not enough then they will take the difference from your accrued annual leave prior to 8 January 2020.

**10. Can I apply for personal leave (sick or carer leave) during the period whilst the Group is under Administration?**

Yes, you can.

This is the same process as annual leave. Employees will apply through the normal process and KPMG will first use the accrued amount from 8 January 2020 and if this balance is not enough to cover the personal leave period then they will take the rest of the personal leave from the accrued personal leave prior to 8 January 2020.

In the case of not enough personal leave prior to 8 January 2020 then they will take the leave from the accrued annual leave prior to 8 January 2020.

**Other entitlements**

**11. Are salaried employees being paid by KPMG on the 15<sup>th</sup> of every month?**

Yes, payment of salaries will remain as normal.

**12. Are weekly employees been paid by KPMG on a weekly basis on the Wednesday?**

Yes, payment of wages will remain as normal.

**13. Will House Account Entitlements be continuing?**

Yes. Salaried employees' House Account Entitlements will continue to be maintained in accordance with the usual Group policy.



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## Resignations and redundancies

### 14. If someone resigns during the Voluntary Administration period, what is happening with their final pay?

Wages will be paid up to the final working day and will be processed as per normal.

Any accrued leave entitlements owing as at 8 January 2020 will not be paid at this stage and will form part of your priority creditor claim against the Group.

Any leave accrued from 8 January 2020 will be paid out along with your final wage payment. Please note that there is no entitlement to redundancy pay or payment in lieu of notice.

There is also no entitlement to pro-rata payment of long service leave unless the employee resigns as a result of:

1. Illness
2. Incapacity or
3. Domestic or other pressing necessary.

### 15. If someone is made redundant during the administration what's happening with the final pay?

Salary up to final day will be processed as per normal.

Accrued annual leave from 8 January 2020 will also be processed, long service leave (if applicable) and severance payment (if applicable) will be processed only on a pro-rata basis from 8 January 2020.

All employee termination payments including redundancy, payment in lieu of notice ('PILN'), and superannuation on PILN will form part of your priority creditor claim against the Group along with all pre-appointment leave entitlements accrued up to 8 January 2020.

### 16. In what circumstances will I be entitled to a pro-rata payment for long service leave?

An employees' entitlement to long service leave continues to be governed from long service leave laws in each state or territory.

#### Redundancy

In general, in the event that someone is made redundant during the administration and as at their end date, has completed the number of years of continuous service to entitle them to a pro-rata payment of long service leave, this long service leave entitlement will form part of their pre-appointment leave entitlement, to be paid when the assets of the Group have been realised.

#### Resignation

In general, if an employee resigns, there is no entitlement to pro-rata payment of long service leave unless the employee resigns as a result of:

4. Illness
5. Incapacity or
6. Domestic or other pressing necessary.

## Further information

If you have additional queries, please continue to speak with your in-business leaders or alternatively, contact KPMG via email with your query, full name and contact details at [itang2@kpmg.com.au](mailto:itang2@kpmg.com.au).

Further information concerning the Administration process and KPMG can be obtained from our website at [www.kpmg.com.au/](http://www.kpmg.com.au/).