



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](http://www.kpmg.com.au)

**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. 2 | 16 January 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 No. 1 issued to all employees on 8 January 2020.

**Unpaid pre-appointment entitlements**

**1. What's happening with all accrued leave entitlements (AL, LSL, 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 ('SGC') 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 SGC payments from 1 January 2020 in accordance with the normal time frames.

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

If applicable, you will receive direct communication from KPMG.

**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. However, for superannuation contributions above SCG that remain unpaid (i.e. the month of December 2019) will not be paid and will form part of the employees' priority creditor claim against the Group.

**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/or Human Resources to discuss arrangements.

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

Unfortunately, you will not be paid until the assets of the Group have been realised (e.g. completion of any resulting sale or recapitalisation of the business) and the outcome of the administration is known. The entitlements will not be paid in the pay run following your final day as would have occurred pre-administration. Refer to the section detailing questions relating to resignations, termination and redundancy.



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## **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.

### **First Creditors Meeting**

## **9. Are employees entitled to vote at the First Meeting of Creditors and what is the process?**

Employees with outstanding entitlements are creditors of the Group and are entitled to vote at meetings of creditors. If you wish to participate in the First Meeting of Creditors, you must submit a Proof of Debt and if applicable, an appointment of Proxy Form (the Proxy Form is required if you are unable to attend the meeting and would like to appoint someone else to vote on your behalf). The business is in the process of determining who will attend the meeting and accordingly once this has been confirmed you may wish to nominate these individuals as your nominated proxy. We will communicate this to you end of day Thursday 16<sup>th</sup> January 2020).

Details of the First Meeting of Creditors (including copies of the Proof of Debt and Proxy Form) is detailed in our Circular to Creditors dated 9 January 2020.

## **10. How do I find out the value of my unpaid employee entitlements that I am owed so that I can complete my Proof of Debt?**

If you wish to participate in the First Meeting of Creditors, please contact Irene Tang of our office by email at [itang2@kpmg.com.au](mailto:itang2@kpmg.com.au) to obtain an estimated value of your outstanding employee entitlements from the Group's books and records.

The Administrators are currently reviewing the books and records of the Group to determine the employee entitlements that are owing to each employee. A letter enclosing a schedule of finalised entitlement calculations will be sent to all employees via email in due course. This review is not expected to be completed until after the First Meeting of Creditors takes place.

### **Using leave entitlements during the Administration period**

## **11. 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.

## **12. 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.



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## Other entitlements

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

Yes, payment of salaries will remain as normal.

### 14. Are weekly employees been paid by KPMG on a weekly basis on the Wednesday?

Yes, payment of wages will remain as normal.

### 15. Will House Account Entitlements be continuing?

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

### 16. If an employee has the salary/wages split in two different bank accounts, can this be maintained?

Yes, this will continue to be maintained in accordance with the usual Group policy.

## Resignations and redundancies

### 17. 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.

### 18. 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.

## Counselling services

### 19. Can I still use McWilliam's Counsellor as per normal process?

You are welcome to contact Clive Murphy, who has been engaged to provide counselling services to current (and former) employees of the Group. Contact details are provided below.

#### Clive Murphy

Phone: 02 6921 6373

Mobile: 0413 084 096

Email: [clive@clivemurphy.com](mailto:clive@clivemurphy.com)

Web: [www.clivemurphy.com](http://www.clivemurphy.com)

## 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/).