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FREQUENTLY ASKED QUESTIONS

EMPLOYEES

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")

Who are the Administrators and why have they been appointed?

Gayle Dickerson, Ryan Eagle and Tim Mableson were appointed Administrators of the Group on 8 January 2020 under Section 436A of the Corporations Act 2001.

The Administrators have assumed control of the Group's affairs and have entered possession of its assets. The Administrators are undertaking an urgent financial and operational assessment of the Group to determine the best course of action to preserve the Group's assets. This includes seeking proposals for an urgent recapitalisation of the Group or the purchase of the Group's business and assets.

The appointment of the Administrators provides an opportunity for an independent party to assess potential options for the Group's business. It is important that this is done in consultation with key stakeholders, including:

- employees;
- customers;
- suppliers; and
- other creditors.

When did the Administration period start?

Wednesday, 8 January 2020.

What will change in the day to day operations of the Group?

We will endeavour to continue to operate the business as usual with a few small changes. The key changes are as follows:

- No orders for any goods or services may be placed unless they have been duly authorised by the Administrators or others as notified in our circular to creditors.
- No delivery of any goods or services should be accepted unless authorised by the Administrators.
- No goods should be returned to suppliers unless authorised by the Administrators.
- No asset should be removed from the Group's custody or control.
- Should you have any queries please contact your manager in the first instance.



What do I tell customers if they ask about the Administration?

Do not attempt to explain the situation to customers in detail. Rather, if a customer does ask what is going on, advise them that it is business as usual or have them speak to a KPMG staff member.

Can I speak to the media?

No. All media requests should be directed to the Administrators.

Can I let the media into the premises?

No. If you are approached by the media, please advise them to contact the Administrators.

Social Media

Posts are not to be made on the official Facebook, or other social media sites without the approval of the Administrators.

Rosters

Rosters will continue as per usual unless otherwise advised. If you are unable to complete any scheduled shift please contact your manager as soon as possible.

Wages

Wages will continue to be paid via electronic deposit in the usual manner. The only change to this will be that the payment is now coming from the Administrators.

If you have outstanding wages and other employee entitlements for the period prior to the appointment of Administrators (before 8 January 2020), those amounts will rank as priority claims against the relevant employing entities of the Group.

Annual Leave

Your annual leave may be taken as normal if it has already been booked.

If you are proposing to take annual leave in the future, please complete your annual leave request as you currently do for approval by your manager. Your manager will then obtain approval from the Administrators to grant you annual leave.

How does the appointment of Administrators affect my employment?

The business will continue to trade during the Voluntary Administration period and your employment with the relevant employing entity in the Group will continue and you will be paid on time and in the ordinary course.

Your entitlements accrued **prior** to the appointment of the Administrators (e.g. Annual Leave; Long Service Leave) are frozen at the date of appointment and are a priority unsecured debt of the relevant employing entity in the Group.

In the event that the Administrators cease trade, you will be notified of any changes to your employment.



Is my employment at risk?

As with any employment, the Administrators cannot guarantee continued employment, however, it is the Administrators' intention to explore all options to ensure that your employment can be preserved. We will endeavour to provide you with a further update as soon as possible.

Can I take annual leave during the Administration?

Your annual leave may be taken as per the normal process, which requires manager approval. In the event that you had intended to apply for leave, please apply as you would in the normal course.

How will my entitlements (e.g. annual and long service leave) accrue under the Administration?

The Administration does not cause any change at all in terms of how your employee entitlements will accrue. Your leave and other entitlements will accrue as normal.

What is the position on sick, bereavement and lieu days?

The Group's normal human resources policies will continue to apply in regard to these entitlements.

Will my outstanding entitlements be paid?

The Administrators are immediately seeking a sale of the business as a going concern. In the event of a successful sale, your employment may continue with the purchaser, in which case your employee entitlements will transfer to the purchaser.

In the event that a sale is not possible and the Group is ultimately placed into liquidation a Federal Government Scheme exists, known as the **Fair Entitlement Guarantee (FEG), which provides a safety net arrangement for eligible employees.**

FEG provides eligible applicants with compensation for employee entitlements including unpaid wages, outstanding annual leave, long service leave, pay in lieu of notice and redundancy to a maximum limit in accordance with the scheme. FEG does not provide funds in respect of superannuation.

Please note that the eligibility of each claim is determined by the Department of Jobs and Small Business.

In the event that funds are available for distribution to creditors, employees of a relevant Group entity have a statutory priority of payment with respect to outstanding entitlements such as wages, superannuation contributions payable by the relevant Group entity, holiday pay and long service leave.

Please go to the FEG website at www.employment.gov.au/fair-entitlements-guarantee-feg for more information.

Please note FEG assistance is not available to employees while the Group is in Voluntary Administration or subject to a Deed of Company Arrangement.

What happens if I find another job, will my entitlements be paid?

If you resign after the Group is placed into liquidation you may still be eligible to make a claim to FEG.

If you resign your position **during the Voluntary Administration period:**

- a. You may miss the opportunity for future employment with a purchaser of the business in the event a sale of the business occurs.



- b. You will not be entitled to redundancy payments (e.g. severance and notice) based on your employment contract or award. You will however be entitled to normal annual leave and long service leave payments should they apply to you.

Code of Conduct

It is also important to remind you of your ongoing obligations under the Group's code of conduct.

How long will the Administrators' trade the business?

At this stage the Administrators anticipate that the process to find a buyer for the Group may take a few months, but it is too early to give you a definitive timeframe.

General Queries

For all general queries on the Administration process and how it affects business please contact your manager in the first instance.

Queries regarding your employment should be directed to Irene Tang of this office:

Phone: +61 2 9273 5594

Email: itang2@kpmg.com.au

For further information concerning the Administration process and KPMG, you may wish to visit our website at www.kpmg.com.au/