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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. 4 | 15 July 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.

This Update to Employees should be read in conjunction with the previous FAQs issued to employees.

Deed of Company Arrangement (DOCA)

1. What is a DOCA and what does it mean for me?

A DOCA is a binding arrangement between a company and its creditors governing how a company's affairs will be dealt with. If creditors vote for a proposal that the company enter a DOCA, the company must sign the deed within 15 business days of the creditors' meeting, unless the court allows a longer time.

Prctnt Asset Management (pronounced Persistent) via its entity MCW Bid Co Pty Limited have put forward a DOCA proposal for the Group which we have attached to the Administrators' report to creditors dated 15 July 2020.

It is noted that the DOCA proposal seeks to use a creditors' trust as an arrangement to accelerate the Group's exit from external administration. Under this DOCA proposal, all priority employee entitlements will be paid in full. Refer to question 5 for further information.

2. What happens to my employment?

As part of the DOCA proposal, all current employees will be offered to continue their employment with McWilliam's Wines Group on the same terms and conditions.

All correspondence regarding your employment should be raised through the ordinary channels.

3. What happens to my employee entitlements?

Current employees

For all employees who continue to be employed by McWilliam's Wines Group (ie continuing employees), your employee entitlements (being accrued annual leave, leave loading and long service leave) irrespective of whether they were accrued prior to 8 January 2020 or after 8 January 2020, will remain with McWilliam's Wines Group, rather than being paid out as a distribution. Therefore these entitlements will continue to accrue and be available for use as per McWilliam's Wines Group policy.

Any unpaid pre-appointment superannuation and rostered days off will be paid in full.

Any superannuation payable for wages paid during the Administration will be paid in the normal course of business and before the due dates as specified by the ATO.

Former employees or non-continuing employees

Your pre-appointment entitlements (being any applicable unpaid annual leave, rostered days off, long service leave, superannuation, payment in lieu of notice and redundancy pay) will be paid as a distribution from the Creditors' Trust.

Any superannuation payable for wages paid during the Administration will be paid in the normal course of business and before the due dates as specified by the ATO.



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4. Is my continuity of service impacted?

No, for all continuing employees, as your employment remains within McWilliam's Wines Group, your continuity of service will not be impacted.

5. How will the Creditors' Trust work and when will I be paid my pre-appointment entitlements

Under the Creditors' Trust, creditor claims will be transferred to the trust and any return will be in the form of a distribution to the beneficiaries (including employee claims which continue to hold a priority as they would in a DOCA). The Administrators (being Gayle Dickerson, Tim Mableson and Ryan Eagle) are the proposed trustees of the Creditors' Trust. Your employee entitlements will be clarified with you prior to any distribution being made.

The Creditors' Trust can only be formed when all the conditions precedent in the DOCA have been met. The current estimated timeframe is that the DOCA is finalised in October 2020, leading to the formation of the Creditors' Trust, and a potential distribution by Christmas 2020 (if not earlier for employees).

Key event	Estimated timing	Party responsible for control of the Group
Execution of Proposed DOCA	On or before 13 August 2020	
Preparation of Independent Expert's Report and affidavits in support of application to Court for s444GA orders.	By mid-September 2020	
Obtain s444GA orders from the Court and ASIC consent		Gayle Dickerson, Tim Mableson and Ryan Eagle as Joint and Several Deed Administrators
Complete other conditions precedent		
Effectuation and termination of DOCA	By October 2020	
Creditor claims against Company released and extinguished and claims converted to rights as beneficiaries of Creditors' Trust		Prcstnt Asset Management via MCW Bid Co Pty Limited
Adjudication of claims and distribution to beneficiaries of Creditors' Trust	Prior to the end of December 2020	

We note that there are a number of factors that may impact the timing and updates will be provided accordingly.

6. Who is the new investor Prcstnt Asset Management?

We have been advised:

"Prcstnt Asset Management is a global capital and asset management firm focused on the intersection of sustainability and the industries of food & agriculture, energy & resources, technology & intelligence. Prcstnt (pronounced Persistent) sees its investment in McWilliam's Wines Group as its opportunity to make a cornerstone investment in the viticulture sector in Australia.

Whilst it is critical that the Group is moved out of Administration and returned to profitability in the immediate term, over the medium to longer term Prcstnt will inject further capital to scale the business in both domestic and international markets, while driving environmental outcomes in line with its philosophy.



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The Deed Proponent has advised that it is funding the acquisition, including the Creditors Trust, via funds previously raised from local high net worth and ultra-high net worth investors as well as funds from the Deed Proponent's proprietary balance sheet. ”

Second meeting of creditors

7. When will the second meeting of creditors be held?

The Administrators will issue a detailed report to creditors on Wednesday, 15 July 2020. This report will provide details on the events leading up to the administration of the Group, our investigations, the financial position of the Group, the Administrators' opinion and recommendation on each of the options available to creditors, and the details of the DOCA.

The report will also provide notice for the second meeting of creditors which will be held at 11:00AM (AEST) on Friday, 24 July 2020 via telephone conference.

8. How do I vote at the second meeting?

As the meeting will be held via teleconference facilities, the Administrators will be required to put each resolution to a poll and individually confirm the votes of each creditor in attendance. Therefore to expedite the process, the Administrators' recommend that employees vote at the meeting by submitting a special proxy which can be in favour of the employee representatives that will be attending the meeting. This will enable the Administrators to know what your vote is for each resolution.

Please send the completed proxy form to Irene Tang at itang2@kpmg.com.au at least 1 day prior to the second meeting of creditors:

This form will be attached as an annexure to the Administrators' Report which will be sent to employees on Wednesday, 15 July 2020. The form will also be available from Irene Tang or Montse Martos.

9. How do I complete my proxy form?

Please fill out your personal details, select the type of proxy (either general or special), consider and vote on each resolution (only complete the voting for special proxies).

As the meeting will be held via teleconference facilities, the Administrators will be required to put each resolution to a poll and individually confirm the votes of each creditor in attendance.

Therefore to expedite the process, the Administrators' recommend that employees vote at the meeting by submitting a special proxy which can be in favour of the employee representatives that will be attending the meeting. This will enable the Administrators to know what your vote is for each resolution.

Please send the signed Proxy form to Irene Tang at itang2@kpmg.com.au at least 1 day prior to second meeting of creditors.

10. How do I attend the second meeting of creditors?

Once you have submitted your Proxy form, you will be provided with the telephone conference login details should you still wish to dial into the meeting.

11. Do I have to attend the creditors meeting?

As an employee with outstanding entitlements you are a priority unsecured creditor of the Group and you are entitled to attend and vote at meetings of creditors.

However, you are not obliged to attend the meetings. We note that there will be employee representatives that will be attending the meeting.



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It is important to note that your claim against the Group is not prejudiced by your attendance or absence from meeting of creditors. Should you not wish to attend the creditors meeting, you are still able to complete a special proxy to enable you to vote on each resolution proposed.

Other

12. Can I speak to the media?

No. All media requests should be directed to Sarah Belin of KPMG at sbelin@kpmg.com.au.

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.

Further information concerning the Administration process and KPMG can be obtained from our website at www.kpmg.com.au/.