



**McWilliam's Wines Group Ltd
ACN 000 024 108
Mount Pleasant Wines Pty Ltd
ACN 000 024 813
(Both Administrators
Appointed)**

Voluntary Administrators' Report

15 July 2020

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Glossary of terms

Term	Description
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
Administrators	Gayle Dickerson, Ryan Eagle and Tim Mablesen
AIIPAAP	All present and after-acquired property – no exceptions
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
AssetSecure	Recfin Nominees Pty Limited (ACN 114 538 439) ATF Recfin Investment Trust
ATO	Australian Taxation Office
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Colliers	Colliers International (NSW) Pty Limited (ACN 001 401 681)
Creditors' Trust	The Creditors' Trust contemplated by the DOCA
The Group or the Companies	McWilliam's Wines Group Ltd and Mount Pleasant Wines Pty Ltd (both Administrators Appointed)
Directors	The directors of McWilliam's Wines Group: James Brayne, Lisa Ashton and Jeffrey McWilliam
Director	The director of Mount Pleasant: Jeffrey McWilliam
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code
DOCA	Deed of Company Arrangement
Deed Proponent	MCW BidCo Pty Ltd (Deed Proponent) is an entity owned (through interposed entities) by Prcstnt Asset Management
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
First Meeting	First meeting of creditors of the Group held on 20 January 2020
Funding Agreement	Funding Agreement between the Administrators and Gordon Brothers dated 17 February 2020
FY	Financial year
FY20 YTD	6 month period from 1 July 2019 to 31 December 2019
Gordon Brothers	Gordon Brothers Pty Limited (ACN 616 884 274)
IPR	Insolvency Practice Rules (Corporations) 2016 (Cth)
LSL	Long Service Leave
McWilliam's Wines Group	McWilliam's Wines Group Ltd (Administrators Appointed) (ACN 000 024 108)
Mount Pleasant	Mount Pleasant Wines Pty Ltd (Administrators Appointed) (ACN 000 024 813)
MRWP	Margaret River Wine Production Pty Ltd (ACN 158 503 470)
NBIO	Non-Binding Indicative Offer
POD	Formal Proof of Debt Claim or Form 535

Term	Description
PMSI	Purchase Money Security Interest
PPSA	Personal Property Securities Act 2009 (Cth)
Prcstnt Asset Management	Prcstnt Asset Management Pty Ltd ACN 637 001 702
PPSR	Personal Property Securities Register
ROCAP	Report on Company Activities and Property
Report	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act
Receivers	Shaun Fraser and Kathy Sozou of McGrath Nicol in their capacities as Receivers & Managers of the Group as appointed by MRWP on 14 February 2020 and as retired on 18 February 2020
RG82	ASIC's Regulatory Guide 82 – External Administration: Deeds of Company Arrangement involving a Creditors Trust
ROT	Retention of Title
Second Meeting	Second meeting of creditors of the Group held pursuant to IPR 75-225 and Section 439A of the Act, where creditors will determine the future of the Group

1. Executive summary

This section addresses frequently asked questions relating to the Administration of the Group including a summary of the estimated outcome for creditors. Full details are available throughout this Report.

Question	
What is the Group?	The Group operates as a vertically integrated wine producer and distributor of Australian produced wine products. The Group was established in 1877 by Samuel McWilliam and is a sixth generation family owned winemaker located in the Riverina and Hunter Valley (under the Mount Pleasant brand) regions of New South Wales.
What is the purpose of this Report?	The purpose of this Report is to table the findings of our preliminary investigations of the Group's business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of the Group at the Second Meeting.
What is the current status of the Group?	On 8 January 2020, the Administrators were appointed as joint and several Administrators of each entity comprising the Group by the Directors pursuant to section 436A of the Act. The Group is currently in Voluntary Administration.

Question	
<p>Who is in control of the Group?</p>	<p>On appointment, the Administrators assumed control of the Group's operations and notified employees, creditors and other stakeholders of their appointment. The Administrators then conducted an urgent financial and commercial review of the Group with the assistance of key personnel and discussions with key stakeholders, including customers and suppliers. As a result, the Administrators have:</p> <ul style="list-style-type: none"> – Continued to trade the Group's business, preserving sale / recapitalisation options; – Conducted a comprehensive sale / recapitalisation campaign for the Group's business and assets; and – Undertaken preliminary investigations into the affairs of the Group and the reasons for its failure. <p>Following the Group being placed into Voluntary Administration, on 14 February 2020 the Receivers were appointed under the terms of the security provided by the Group to MRWP. The Administrators entered into the Funding Agreement with Gordon Brothers on 17 February 2020 that enabled the secured debt owing to MRWP to be repaid in full. As a result, the Receivers retired on 18 February 2020 and the MRWP secured debt was discharged.</p>
<p>What is the ownership structure of the Group?</p>	<p>McWilliam's Wines Group is an unlisted public company with some 80 shareholders, many of whom are related to the McWilliam family.</p> <p>McWilliam's Wines Group is the sole shareholder of Mount Pleasant.</p> <p>The ownership structure of the Group is discussed in more detail in Section 3 of this report.</p>
<p>Why do the Directors believe the Group became insolvent?</p>	<p>The Directors of the Group provided us with the following reasons for its failure, among other things:</p> <ul style="list-style-type: none"> – Inadequate cash flow and high cash use; – Long history of trading losses; – Changing consumer preferences towards more premium products and the Group's inability to react given more of a focus towards commercial priced products; and – Failure to secure adequate and/or additional working capital funding.

Question	
<p>What do the Administrators consider were the underlying causes of the Group's failure?</p>	<p>The Administrators consider the reasons the Group failed include:</p> <ul style="list-style-type: none"> – The Group had a history of significant trading losses that led to constraints on liquidity, resulting in the Group selling assets in order to repay debt obligations; – A recapitalisation that occurred in January 2019 did not generate sufficient capital in order to support the Group's then proposed turnaround plan; – There was a failure to secure adequate debt and equity funding; – Pressure on margins and declining sales, particularly in relation to the slowing and unprofitable "Below \$10" retail price market; – There were challenges in repositioning brands within the Group as well as market focus; – Onerous lease at Chullora; – There was a lack of strategic direction in terms of export markets and sales following the loss of the E.&J. Gallo distribution arrangement in 2014; – Insufficient runway for the new management team to turnaround the business; and – Significant turnover of key management team and Board in recent years.
<p>When do the Administrators consider the Group became insolvent?</p>	<p>The Administrators are of the opinion that the Group may have become insolvent on or around 30 November 2019.</p> <p>This is discussed in more detail in Section 8.</p>
<p>What was the outcome of the sale of business/ recapitalisation process?</p>	<p>The Administrators ran a comprehensive sale of business / recapitalisation campaign that resulted in a number of final offers being received to recapitalise the Group or purchase the Group's operations and assets as a going concern.</p> <p>Our preferred offer is for the recapitalisation of the business via a Deed of Company Arrangement (a proposal that we have received), which would see the Group continue to trade, all current employee positions preserved, a full repayment of secured creditors with the expectation that unsecured creditor debts will be substantially paid in full. Should unsecured creditors be paid in full, then it may be possible for a return to be provided to shareholders.</p> <p>The offer and DOCA proposal is discussed further in Section 7 and summary details are provided overleaf.</p>
<p>What is the purpose of the Second Meeting?</p>	<p>The purpose of the Second Meeting is to resolve the future of the Companies. The options available are:</p> <ul style="list-style-type: none"> – The Companies enter into and executing a DOCA; – The Administration should end; or – The Companies be wound up. <p>In the event that creditors resolve that the Administration should end, control of the Companies will revert to the Directors.</p>

What are the key terms of the proposed DOCA?

A DOCA proposal has been received by the Deed Proponent which is ultimately owned (through interposed entities) by Prcstnt Asset Management (**Prcstnt**), a global capital and asset management firm focused on the intersection of sustainability and the industries of food and agriculture, energy and resources, technology and intelligence. Prcstnt has advised us that:

“Prcstnt 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 McWilliam’s 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.”

The Deed Proponent has also 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.

The DOCA and Creditors Trust can be found at **Annexure H**. The key terms are also summarised at **Section 7** of this Report. Some of the key aspects of the DOCA include, among others:

- Upon the payment of certain payment contributions (outlined below) and certain conditions precedent being satisfied or waived (including but not limited to obtaining an order pursuant to section 444GA of the Act) the acquisition of 100% of the shares in McWilliam’s Wines Group by the Deed Proponent (or another person or entity nominated by the Deed Proponent prior to the Implementation Date);
- Prior to any acquisition of shares in the McWilliam’s Wines Group occurring, the Deed Administrators will be required, among other things, to seek and obtain orders under section 444GA of the Act in order to effect the transfer of shares. As McWilliam’s Wines Group is subject to the takeovers prohibitions in section 606 of the Act, the Deed Administrators will also be required to seek and obtain from ASIC relief from section 606 of the Act in order for the shares to be transferred to the Deed Proponent (or another person or entity as notified by the Deed Proponent). This will also likely require the Deed Administrators to commission the preparation of an Independent Expert Report (if required by ASIC) for the purpose of the section 444GA application.
- The following payment contributions:

Contribution	Description
Cash	Cash contribution of \$30 million minus 70% of the accrued and unpaid annual leave, leave loading and long services leave entitlements of those employees continuing to be employed by the Group at the Implementation Date set out in the DOCA.
Stock	Cash contribution for Stock (estimated to be at least \$16 million at the Implementation Date) subject to a physical stocktake and a stocktake valuation mechanism contained within the DOCA to be calculated and determined immediately prior to the Implementation Date as set out in the DOCA.
VA/DOCA Trading and Receivables	The Deed Fund is to also include: <ul style="list-style-type: none"> – Closing receivables

Question	
	<ul style="list-style-type: none"> – Any net cash surplus from Administrators/Deed Administrators trading (after liabilities)
	<ul style="list-style-type: none"> – Current employees will continue to be employed by the Deed Companies and the Deed Companies will be responsible for any claim by any continuing employee, as defined in the proposed DOCA, for annual leave and leave loading, personal/carer's leave and long service leave due to or accrued by a continuing employee up to Completion of the DOCA. Superannuation contributions for all continuing employees are expected to be paid prior to the completion of the DOCA. All other outstanding entitlements of former employees (including superannuation owed to former employees) will be a claim as against the Creditors' Trust Fund. – Upon certain conditions being met, the establishment of a Creditors' Trust in order to distribute the Fund Amount to creditors.
Will creditors be treated differently in terms of priority in the DOCA when compared to a liquidation?	Other than differences in certain rights in a Creditors' Trust when compared to a DOCA (discussed in Section 7), creditors will not be treated differently in the proposed DOCA when compared to a liquidation scenario.
What is a Creditor's Trust?	The DOCA is accompanied by a Creditors' Trust. A Creditors' Trust is a separate legal arrangement used to facilitate the distribution of funds to stakeholders while allowing the Deed Companies to emerge from insolvency in an accelerated manner. Upon the occurrence of certain pre-conditions in the DOCA (including but not limited to funds being contributed by the Deed Proponent (or a related body corporate of the Deed Proponent) the rights of creditors are extinguished and exchanged for a beneficial right to claim in the Creditors' Trust. In accordance with our obligations under ASIC Regulatory Guide 82. We have provided additional information in this report to ensure creditors are fully informed.

Question

What is the key timeline of the DOCA?

Key event	Estimated timing
Execution of Proposed DOCA & creation of Creditors' Trust	On or before 13 August 2020
Preparation of Independent Expert's Report, application to ASIC seeking relief from section 606 of the Act to enable transfer of 100% of shares by Deed Administrator to Deed Proponent and commencement of section 444GA application in Court to s444GA orders.	By mid-September 2020
Obtain s444GA orders from the Court	
Complete other conditions precedent	
Completion and termination of DOCA	By October 2020
Creditor claims against Company released and extinguished and claims converted to rights as beneficiaries of Creditors' Trust	
Adjudication of claims and distribution to beneficiaries of Creditors' Trust	Prior to the end of December 2020

While there are a number of factors that may impact the timing of the key events, the Administrators anticipate that:

- (a) The DOCA could be completed and terminated by October 2020 and funds distributed to beneficiaries of the Creditors Trust prior to the end of December 2020.
- (b) Any delays to this timeline are likely to be a result of the completion of some of the conditions precedent, including the section 444GA application.

Question

What is the estimated return to creditors?

DOCA and Creditors' Trust

Pursuant to the proposed DOCA and Creditors' Trust, creditors of the Companies are expected to receive the following dividends:	Estimated dividend rate (cents in the \$)
Priority employees	100c
Secured	100c
Unsecured	94c to 100c
Interest distribution to creditors	Range of zero to \$2.7 million
Shareholders	Range of zero to \$10.5 million to be distributed dependent on shareholding %

The above dividend rates are estimates only. The final rate will be dependent on a number of factors. Please refer to **Section 10** for further information.

Liquidation

In a liquidation, creditors of the Companies will not be grouped and are estimated to receive dividends as follows:

McWilliam's Wines Group creditors

Creditor class	Estimated dividend rate (cents in the \$)	Estimated timing
Priority employees	100c	Prior to the end of December 2020
Secured	100c	Prior to the end of December 2020
Unsecured	52c to 86c	June 2021 or later

Mount Pleasant creditors

Creditor class	Estimated dividend rate (cents in the \$)	Estimated timing
Priority employees	N/A	N/A
Secured	100c	March 2021
Unsecured (if any)	100c	March 2021
Shareholders	Range of \$8.0 to \$8.3 million that would flow to McWilliam's Wines Group as the 100% owner of the shares of Mount Pleasant	March 2021

Please refer to **Section 10** for further information.

Question

What are the advantages and disadvantages of the DOCA / Creditors' Trust vs Liquidation?

Advantages

- The business of the Group would continue as a going concern.
- Ongoing employment for the Group's current employees.
- A greater return to creditors than in a liquidation and possible return to shareholders (subject to adjudication of claims).
- Creditors are likely to receive a dividend prior to the end of December 2020 in a DOCA/Creditors' Trust, compared to a liquidation where any distribution to creditors is not likely for a significant period.
- The distribution to creditors by virtue of the use of the Creditors' Trust structure allows the Group to return to trading in an accelerated manner and out of an insolvency process.

Disadvantages

- Whilst there are limited potential recoveries that may be made by any liquidator as identified in this report, by proceeding with the DOCA/Creditors Trust there would be no recourse to any claims against Directors, former directors, related entities of the Group or preference/uncommercial transaction creditors.
- A Creditors' Trust results in the loss of Court supervision pursuant to Part 5.3A of the Act. While the Court can still provide relief under the general law of trusts, the safeguards available to creditors under Part 5.3A of the Act are no longer available. However, the risks are somewhat mitigated with reference to no deferred payments or earn out component of the Creditors' Trust (i.e. the significant proportion of the funds making up the Fund Amount are paid at the commencement of the Creditors' Trust). In addition it is proposed the Deed Administrators become the Trustees so they will have full clarity on the requirements of the Trust Fund.

Question	
<p>What claims would a liquidator investigate?</p>	<p>Whilst the Administrators have considered the underlying causes of the Group's failure, our preliminary investigations into potential claims arising are at an initial stage.</p> <p>Our preliminary investigations have identified:</p> <ul style="list-style-type: none"> – A potential insolvent trading claim against the Directors for an amount of approximately \$3.4 million; and – Potential unfair preference claims against third parties for any amount of approximately \$1.7 million. <p>The pursuit of claims may involve litigation and any decision to commence litigation would require assessment by liquidators of:</p> <ul style="list-style-type: none"> – The costs of litigation and the prospects of success in any complex litigation; – The capacity of the defendants to meet a claim for compensation; and – The Board of directors sought independent Safe Harbour advice prior to the appointment of Administrators, which we expect would be relied upon by Directors should an insolvent trading claim be established. <p>These, and other potential claims, will require further investigation liquidators if appointed.</p> <p>The investigations undertaken to date in the Administration are detailed at Sections 8 and 9 of this report.</p>
<p>What do the Administrators recommend creditors should do?</p>	<p>McWilliam's Wines Group</p> <p>The Deed Proponent has proposed a DOCA that allows for ongoing employment of the Group's current employees and a full return to priority creditors (i.e. employees) and secured creditors and full or substantial return to unsecured creditors. There also remains the possibility that a distribution to existing shareholders may occur. The DOCA proposal provides a more certain return to creditors than a liquidation, as well as a distribution at an earlier date.</p> <p>We are of the opinion that creditors should accept the proposed DOCA/Creditors' Trust.</p> <p>Mount Pleasant</p> <p>The Deed Proponent has proposed a DOCA that allows for a full return to secured creditors and any unsecured creditors. This will result in a surplus following payment of all classes of creditors, which would result in a distribution to the sole shareholder, McWilliam's Wines Group. Whilst we estimate a liquidation would also provide a similar outcome to creditors, the DOCA proposal provides a more certain outcome to the Group and likely result in a distribution at an earlier date.</p> <p>We are of the opinion that creditors should accept the proposed DOCA/Creditors' Trust.</p>
<p>Where can I get more information?</p>	<p>If you require any further information, please see the KPMG website (http://www.kpmg.com/au/mcwilliams) and/or contact the following:</p> <p>Phone: Irene Tang (02) 9273 5594</p> <p>E-mail: mcwilliams@kpmg.com.au</p>

2. Introduction

This section provides information on the entities subject to the Administration process, the objectives of the Administration, the purpose of this Report, details of meetings of creditors and a summary of the Administrators' remuneration.

Key takeaways

- | | |
|---|--|
| 1 | Gayle Dickerson, Ryan Eagle and Tim Mablesen were appointed as joint and several Administrators of the Group on 8 January 2020 |
| 2 | The purpose of this Report is to summarise the investigations undertaken by the Administrators and to outline options available for the future of the Group |
| 3 | Creditors will vote on the future of the Group at the Second Meeting of Creditors, to be held by telephone conference at 11:00AM (AEST) on Friday, 24 July 2020 |

2.1. Appointment of Voluntary Administrators

On 8 January 2020, Gayle Dickerson, Ryan Eagle and Tim Mablesen, were appointed as joint and several Administrators of the following Companies by the Directors under Section 436A of the Act:

- McWilliam's Wines Group Ltd
- Mount Pleasant Wines Pty Ltd

2.2. Objective of voluntary administration

In a voluntary administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the Directors and Officers, to manage the company's affairs and deal with its assets in the interests of its creditors.

The intention of a voluntary administration is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve a better return to creditors than would be achieved by its immediate liquidation. During a voluntary administration there is a moratorium over most pre-administration creditor claims.

Administrators are also required to investigate the Group's affairs and report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interest, informing the creditors prior to their voting at the Second Meeting (please see **Section 2.7** for further details).

2.3. Appointment of Receivers and Managers

Following the Group being placed into Voluntary Administration, on 14 February 2020 the Receivers were appointed under the terms of the security provided to MRWP. The Administrators entered into the Funding Agreement with Gordon Brothers on 17 February 2020 that enabled the MRWP secured debt of \$6.4 million to be repaid in full (including the Receivers' professional fees and expenses). As a result, the Receivers retired as Receivers and Managers on 18 February 2020 and the MRWP security interest was discharged on the PPSR.

The Administrators considered that entering into the Funding Agreement and discharging the Group's indebtedness to MRWP was in the best interests of all creditors for the following reasons, among others:

- The Administrators could continue to trade the business of the Companies (including the production and completion of the '2020 Vintage') with a view to maximising the value of any sale of the Companies' business and assets as a going concern or recapitalisation to ensure a better return to creditors;
- The expressions of interest and sale of business campaign could be completed (without onerous conditions);
- Duplicate costs of different insolvency practitioners (both the Administrators and the Receivers) in the external administration of the Companies would be avoided; and

- Sufficient time would be allowed for the Administrators' investigations to be concluded, to enable the Administrators to form a view and make their recommendations to creditors about the future of the Companies and for the Administrators to prepare and provide this report to creditors pursuant to section 75-225 of the IPR.

2.4. Purpose and basis of this report

IPR 75-225 requires Administrators to provide a report (the **Voluntary Administrator's Report** or this **Report**) to all creditors ahead of the Second Meeting, outlining:

- Details regarding the business, property, affairs and financial circumstances of the entity under administration;
- The Administrators' opinion and recommendation on each of the options available to creditors; and
- If a DOCA is proposed, the details of the DOCA.

This Report also informs creditors about the preliminary investigations undertaken by the Administrators to date. Accordingly, the views formed in this Report are not final and may be subject to change. Any additional material issues that are identified after this Report may be subject to a further written report and/or tabled at the forthcoming Second Meeting.

This Report has been prepared primarily from information obtained from the Group's books and records and discussions with the Directors. Although the Administrators have conducted certain investigations into the affairs of the Group, there may be matters that we are unaware of as an audit of the Group has not been undertaken.

In order to complete our Report, we have utilised information from, among other things:

- ASIC;
- PPSR;
- The Group's book and records;
- Discussions with the Directors and former directors of the Group;
- Discussions with key employees of the Group;
- Discussions with creditors and shareholders of the Group; and
- Other public databases.

2.5. Context of this Report

This Report is based on our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the Second Meeting.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information that may be provided to us between the date of this Report and the date of the Second Meeting (except where otherwise stated).

In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress and we receive formal creditor claims via proofs of debt and consequently the outcome for creditors might differ from the information provided in this Report.

Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Second Meeting.

2.6. Declaration of independence, relevant relationships and indemnities

In accordance with Section 436DA of the Act and the Code, a DIRRI was **enclosed** with the Administrators' first communication to creditors (and tabled at the First Meeting).

The DIRRI disclosed information regarding the Administrators' independence, prior personal or professional relationships with the Group or related parties and any indemnities received in relation to the appointment. This assessment identified no real or potential risks to the Administrators' independence.

There has been no change in the declaration since that time.

2.7. First Meeting of Creditors and Committee of Inspection

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within eight business days of being appointed.

The First Meeting of each entity comprising the Group was held concurrently on 20 January 2020, at which time the Administrators' appointment to each entity was confirmed.

Creditors resolved at the First Meeting to appoint a COI to McWilliam's Wines Group only. Details of the six members of the COI of McWilliam's Wines Group are available in the minutes of the First Meeting.

The COI members represent creditors in the Administration with POD claims totaling \$21.1 million. We note that these POD claims are still subject to review and formal adjudication. Each member of the COI has executed an undertaking as to confidentiality and the COI has been kept apprised by and consulted with the Administrators in relation to:

- Tasks undertaken by the Administrators and their staff during the Administration;
- The sale/recapitalisation process and the various offers received from interested parties (although the identity of interested parties was not disclosed);
- Approval of the Administrators' remuneration; and
- Any other relevant matters that have arisen during the Administration.

The matters discussed at the COI meetings and the resolutions passed by the COI are summarised in the following table.

Meeting date	Matters discussed	Resolution passed
16 March 2020	<ul style="list-style-type: none"> – Extension of Convening Period and Second Meeting of Creditors – Appointment of Receivers and repayment of MRWP's secured debt – Trading update – Sale of business and recapitalisation – Creditor position of the Group – Tasks undertaken by the Administrators' and their staff – Administrators' remuneration update 	N/A
7 April 2020	<ul style="list-style-type: none"> – Sale of business and recapitalisation – Trading update – Impact of COVID-19 – Administrators' remuneration resolution 	The Administrators' remuneration and disbursements for the period 8 January 2020 to 28 February 2020 was approved.
6 May 2020	<ul style="list-style-type: none"> – Sale of business and recapitalisation process and receipt of binding offers 	N/A
9 July 2020	<ul style="list-style-type: none"> – Sale of business and recapitalisation process and proposed DOCA 	N/A

2.8. Second Meeting of Creditors

Based on the statutory timetable of a voluntary administration, the second meeting of creditors is usually held within 20 business days of appointment, however an application can be made to the Court to extend this 20 business day convening period to further assess the Group's affairs. In this respect, on 23 January 2020, we wrote to all creditors advising of our intention to make an application to the Federal Court of Australia for an extension to the convening period. We were of the opinion that an extension would enable the sale campaign to be progressed which would place us in a better position to make a fully informed recommendation to creditors about the Group's future.

We made an application to the Federal Court of Australia on 3 February 2020 seeking an extension of the convening period up to and including 31 July 2020. On 4 February 2020, the Court made orders granting this extension. A copy of the Order is available via the following link: www.kpmg.com/au/mcwilliams. As a result, the Second Meeting could be held on a date on or up to 7 August 2020. Creditors have the opportunity to adjourn the Second Meeting for up to a period of 45 business days to enable further investigations to be undertaken.

The Administrators intend to hold concurrent meetings of creditors of each entity comprising the Group. All creditors are entitled to attend the Second Meeting. Pursuant to Section 439A of the Act, the Second Meeting is convened for **11:00AM (AEST) on Friday, 24 July 2020**. Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by **1:00PM (AEST) on Thursday, 23 July 2020**.

Form	Comments
Appointment of proxy (form 532)	<ul style="list-style-type: none">– To facilitate the process for voting on resolutions at the Second Meeting held by telephone conference, the Administrators request corporate and individual creditors (including employees) submit a "Special Proxy" instead of a "General Proxy".– Corporate creditors must appoint an individual to act on its behalf (note this can be the Chairperson).– Individuals voting in person are not required to complete this form but must complete this form if a representative is appointed to vote on their behalf.– Please note that proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted.
Proof of debt (form 535)	<ul style="list-style-type: none">– Creditors must submit documentation to support the amount they have claimed (i.e. unpaid invoices, payslips etc.).– Creditors who have already submitted a POD are not required to resubmit a POD form unless the amount claimed has changed.

Please note, in line with the Government's safe distancing measures put in place in response to the current COVID-19 pandemic, this **meeting will be held by telephone conference using Skype**.

To attend the telephone conference meeting, please email your Appointment of Proxy (form 532) and/or POD (form 535) to mcwilliams@kpmg.com.au at least one business day prior to the meeting.

Once received you will be provided with a telephone conference call code to join the meeting. Voting on resolutions to be considered during the meeting will be conducted by a poll. Please note that due to the numbers that may be attending the meeting, to facilitate the recording of attendees and voting, we request all creditors consider submitting a **Special Proxy** form no later than **1:00PM (AEST) on Thursday, 23 July 2020** setting out how you intend to vote on the resolutions to be considered at the meeting.

2.9. Remuneration

Administrators' remuneration can only be fixed by resolution of a COI, creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our initial communication and tabled at the First Meeting.

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration or a DOCA. This information sheet is available from the ARITA website (www.arita.com.au).

At the COI meeting held on 7 April 2020, the following remuneration and internal disbursements were approved for McWilliam's Wines Group Ltd for the applicable period:

Remuneration	Amount approved (\$ ex GST)
8 January 2020 to 28 February 2020	1,064,669.00
Total	1,064,669.00

Internal Disbursements	Amount approved (\$ ex GST)
8 January 2020 to 28 February 2020	5,919.96
Total past internal disbursements approved	5,919.96

A summary of the remuneration we will be seeking approval for at the Second Meeting is as follows:

Remuneration Period	Amount (\$ ex GST)
Current remuneration approval sought:	
Voluntary administration	
McWilliam's Wines Group <i>Resolution 1: 29 February 2020 to 30 June 2020</i>	1,268,505.35
McWilliam's Wines Group <i>Resolution 2: 1 July 2020 to 24 July 2020</i>	323,400.00
McWilliam's Wines Group <i>Resolution 3: 25 July 2020 to Execution of the DOCA</i>	248,400.00
Mount Pleasant <i>Resolution 5: 8 January 2020 to 30 June 2020</i>	143,066.65
Mount Pleasant <i>Resolution 6: 1 July 2020 to 24 July 2020</i>	26,600.00
Mount Pleasant <i>Resolution 7: 25 July 2020 to Execution of the DOCA</i>	23,300.00
Total approval sought – voluntary administration*	2,033,272.00
Deed of company arrangement (DOCA) (if applicable)	
McWilliam's Wines Group <i>Resolution 15: Execution of the DOCA to Completion of the DOCA*</i>	896,319.00
Mount Pleasant <i>Resolution 17: Execution of the DOCA to Completion of the DOCA*</i>	53,681.00
Total approval sought – deed of company arrangement (if applicable)*	950,000.00
Liquidation (if applicable)	

Remuneration Period	Amount (\$ ex GST)
McWilliam's Wines Group <i>Resolution 20: Commencement of Liquidation to Completion of Liquidation*</i>	678,312.50
Mount Pleasant <i>Resolution 22: Commencement of Liquidation to Completion of Liquidation*</i>	71,687.50
Total approval sought – liquidation (if applicable)*	750,000.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.	

A summary of the internal disbursements together with internal disbursements we will be seeking approval for at the Second Meeting is as follows:

Internal Disbursement Period	Amount (\$ ex GST)
Current internal disbursements approval sought:	
Voluntary Administration	
McWilliam's Wines Group <i>Resolution 4: 29 February 2020 to Execution of the DOCA*</i>	19,156.62
Mount Pleasant Wines <i>Resolution 8: 8 January 2020 to Execution of the DOCA *</i>	1,671.08
Total current internal disbursement approval sought – voluntary administration*	20,827.70
Deed of company arrangement (DOCA) (if applicable)	
McWilliam's Wines Group <i>Resolution 16: Execution of the DOCA to Completion of the DOCA*</i>	1,807.00
Mount Pleasant <i>Resolution 18: Execution of the DOCA to Completion of the DOCA*</i>	1,507.00
Total current internal disbursement approval sought – DOCA*	3,314.00
Liquidation (if applicable)	
McWilliam's Wines Group <i>Resolution 21: Commencement of Liquidation to Completion of Liquidation*</i>	6,700.00
Mount Pleasant <i>Resolution 23: Commencement of Liquidation to Completion of Liquidation*</i>	2,100.00
Total current internal disbursement approval sought – liquidation*	8,800.00
* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to the completion of the external administrations. Should additional internal disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.	

Please refer to our Remuneration Approval Request at **Annexure F** for details of the key tasks undertaken throughout the course of the administration to date.

We note that Trustees fees to administer the Creditors' Trust do not require approval by creditors. We estimate these fees will total \$393,000 (including GST).

2.10. Non-disclosure of certain information

There are sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information includes:

- Details of confidential offers received during the sale process;
- Property, Plant and Equipment and stock valuations; and
- Commercially sensitive prospective financial information (for example, projections / forecasts)

We recognise the need, so far as is possible, to provide creditors with complete disclosure of all necessary information relating to the Group. However, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

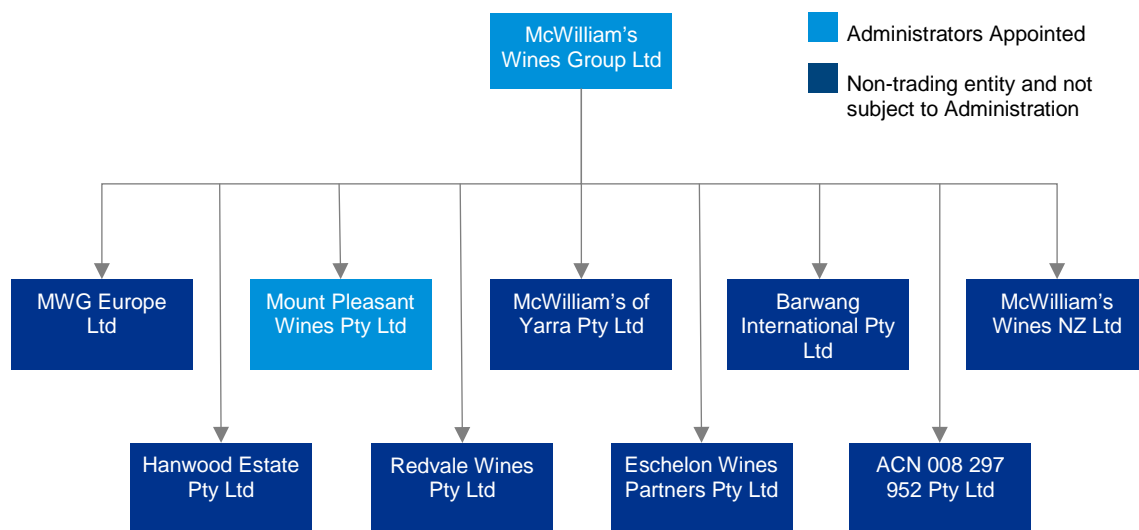
3. Company information

This section provides creditors with information on the history of the Group and the circumstances leading up to the appointment of the Administrators together with details of related entities including statutory information, and an overview of the operating businesses.

Key takeaways	
1	The Group was founded by Samuel McWilliam and is a sixth generation family owned winemaker, with winery operations in the Riverina and Hunter Valley regions of New South Wales, Australia.
2	The appointment of Administrators on 8 January 2020 only relates to McWilliam's Wines Group and Mount Pleasant. The remaining entities within the Group are dormant non-trading entities.
3	There were 60 parties that held registered security interests on the PPSR at the date of appointment, with MRWP holding a charge over the whole or substantially the whole of the property of the Group.

3.1. Group structure

A summary of the corporate structure of the Group is below:



Key points to note in relation to the corporate structure are:

- McWilliam's Wines Group owns all of the Group's assets and intellectual property except for the Mount Pleasant winery and vineyard, Rosehill vineyard and Lovedale vineyard.
- Mount Pleasant Wines is a property holding company for the Mount Pleasant winery and vineyard, Rosehill vineyard and Lovedale vineyard.
- We are advised that the remaining entities within the Group are dormant non-trading entities with no known assets or liabilities.

3.2. Company history and events leading up to the administration

The Group operates as a vertically integrated wine producer and distributor of Australian produced wine products. The Group was founded in 1877 by Samuel McWilliam and is a sixth generation family owned winemaker.

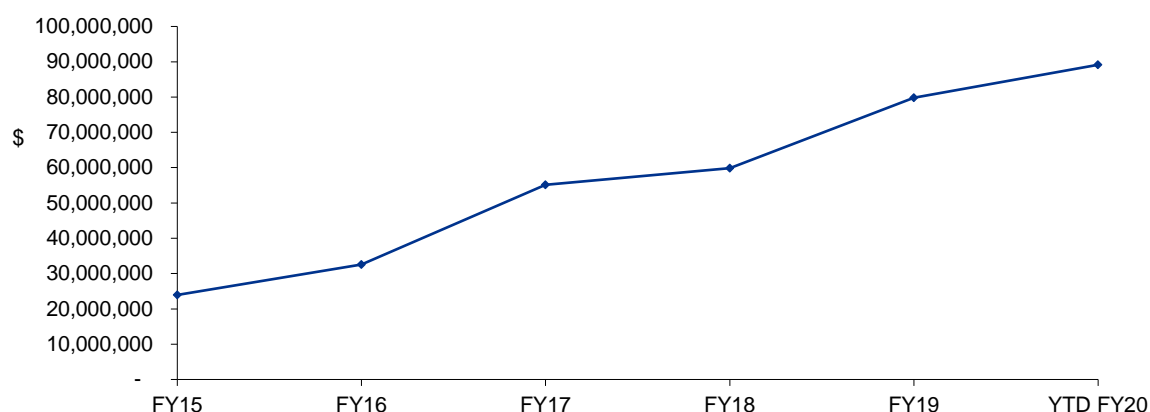
The following timeline summarises key events in the Group's recent history leading up to the Administrators appointment.

Date	Event
26 June 2013	The Group refinanced its bank loans under a 5 year credit facility with GE Capital up to a maximum availability of \$55 million
29 September 2014	The Group's global wine supply agreement with E&J Gallo was terminated and its preference shares fully redeemed for an amount of \$7.3 million, payable in instalments under a loan deed as follows: \$0.6 million on settlement and 4 equal instalments of \$1.675 million on 1 July 2016, 1 July 2017, 1 July 2018 and 1 July 2019. We note the final instalment was not paid prior to our appointment.
2 February 2015	Sale and leaseback of the Coonawarra and Hanwood vineyards to CK Life Sciences International Inc for \$15.7 million
21 December 2015	McWilliam's Wines Group sells Brand's Laira business to Casella Family Brands for \$15.8 million
16 May 2016	Jeffrey McWilliam appointed CEO
19 May 2017	Board notified of letter of default from Bain Capital (formerly GE Capital) triggered by a breach of the EBITDA covenant in March 2017
23 May 2017	The Board approves an exclusive agreement with Pendulum Capital (an advisory firm associated with Peter Fogarty) to assist with the turnaround of McWilliam's Wines Group
9 June 2017	The Group entered into a 3 year loan agreement with MRWP, with funding of \$25 million provided by MRWP used to repay Bain Capital in full. In exchange for the \$25 million, McWilliam's granted a future option of 30% to MRWP to purchase McWilliam's Wines Group, and MRWP would have an option to purchase the Evans & Tate brand
22 June 2017	The Group entered into a 3 year receivables purchase agreement with AssetSecure up to a maximum available facility of \$12 million
12 September 2017	McWilliam's Wines Group sold the Evans and Tate brand for \$32.8 million to MRWP. The proceeds of \$32.8 million consisted of a reduction in the debt facility between McWilliam's and MRWP of \$22.8 million and McWilliam's Wines Group acquiring an additional 10% equity interest in MRWP valued at \$10 million
23 July 2018	David Pitt appointed CEO, replacing Jeffrey McWilliam
10 December 2018	The Group entered into a binding agreement with MRWP (a Heads of Agreement had been executed in September 2018) under which the Group sold 20% of its interest in MRWP to Laguna Bay Agricultural Fund (Laguna Bay) for \$9.6 million. The Group also received funds of \$6.2 million from MRWP by way of subscription by MRWP for 7 year secured convertible notes in the Group
25 January 2019	The recapitalisation transaction with MRWP and Laguna Bay completed
January 2019	The Board was restructured with the directors becoming Jim Brayne (Chair), Karen McWilliam, Lisa Ashton and Peter Fogarty, and four directors resigning (all McWilliam family members)
February 2019	1,110,538 ordinary shares valued at \$466,000 were issued pursuant to the conversion of unsecured shareholder loan notes

Date	Event
June 2019	The Group renewed the receivables purchase agreement with AssetSecure for a further two years with the facility maturing on 30 June 2021
1 July 2019	6,254,064 ordinary shares valued at \$2.6 million were issued pursuant to the conversion of unsecured shareholder loan notes
October 2019	Directors seek Safe Harbour protection under the premise of a 'better outcome' scenario
20 December 2019	The Group sold its 10% residual interest in MRWP to Valley Vino Pty Ltd (a related party and an associate vehicle of Laguna Bay Agricultural Fund) for \$5.5 million with the \$4 million MRWP loan repaid on settlement
31 December 2019	Directors & Officers insurance expired, with the business unable to secure new cover due to the insurers concerns relating to solvency
8 January 2020	Appointment of Voluntary Administrators

The Group had been trading at a loss for a number of years, as illustrated in the chart below for the period from FY15 to 31 December 2019. In 2017, the Board determined the need for additional funding to allow the business to continue to operate. This resulted in the sale of a number of key assets including the Evans and Tate brand in 2017. Following a poor response to a proposed share rights issue in 2018 the business agreed with Laguna Bay to sell a portion of its investment in MRWP, issuing \$6.4 million of convertible notes and subordinated the majority of the shareholder loan notes (which were already due and payable). Subsequent to this recapitalisation in January 2019, the business made progress towards addressing its underlying cost base, however there were significant increases in one off costs relating to rental costs on an onerous lease at the former Chullora bottling site and operating costs due to production delays with the third party bottling arrangement at Hanwood.

Cumulative losses - FY15 to FY20 YTD



In June 2019 management presented a turnaround plan to the Board, identifying the funding required to achieve break even in 3 years. The business engaged Pendulum Capital to assist in a debt/capital raise but was unable to secure funding options that the Board was prepared to support, due to conditionality or timing. Ultimately the inability to secure the necessary funding, combined with ongoing pressure on sales and cash flow, as well as the inability to renew the Directors and Officers insurance policy, lead to the Board's decision to place the Group into Voluntary Administration on 8 January 2020.

3.3. Business operations

The Group has vineyard and winery operations in the New South Wales Riverina and Hunter Valley regions through principally the McWilliam's Wines Group and Mount Pleasant Estate brands respectively. The Group is reported to be a top 10 Australian wine producer (as measured by revenue). The Group's current product range consists of, among

others, the McWilliam's 1877 and Single Vineyard labels, the Mount Pleasant Estate and Show Reserve range of Fortified wines. The Group is also currently the sole Australian distributor for global brands such as Champagne Taittinger.

The Companies' key assets include:

- Two standalone winery operations and associated vineyards, plant and equipment and water rights in the Riverina and Hunter Valley regions of New South Wales; and
- Stock on hand including bulk wine, finished goods, unlabeled wine, dry goods and additives;

On our appointment there were 148 employees identified in the books and records of the Group, in addition to six permanent contractors who worked across different functions. The legal employing entity of the Group's employees is McWilliam's Wines Group.

3.4. Statutory information

The Companies' statutory information, extracted from ASIC's national database at the date of our appointment, is contained in **Annexure A**.

3.5. Registered security interests

On our appointment, the PPSR disclosed 60 parties that held registered security interests with multiple parties holding multiple registrations.

On appointment, the Administrators wrote to all creditors registered on the PPSR requesting information regarding their security interest and the amounts (if any) owed by the Companies.

Details of the security interested holders are set out below:

McWilliam's Wines Group

Collateral Class	Creditor Group	Secured Party	Number of Registrations
Other Goods	Suppliers	Various	80
Motor Vehicle	Hire Purchase	Various	40
AIIPAAP	Financier	MRWP	2
AIIPAAP with Exception	Financier	MRWP, AssetSecure	2
General Intangible	Landlord	QWIL Investments Pty Ltd	2
Investment Instrument	Landlord	QWIL Investments Pty Ltd	1
Account	Financier	AssetSecure	1
Chattel Paper	Financier	AssetSecure	1
Total			129

Mount Pleasant

Collateral Class	Creditor Group	Secured Party	Number of Registrations
AIIPAAP	Financier	MRWP	1
AIIPAAP with Exception	Financier	MRWP, AssetSecure	2
Account	Financier	AssetSecure	1
Chattel Paper	Financier	AssetSecure	1
Total			5

The Administrators have reviewed information received from creditors to date to determine the validity of the claims and continue to work with the relevant secured parties to finalise their claims.

Further details of the registered security interests are available to creditors on request.

Upon our appointment, MRWP held a charge over the whole or substantially the whole of the property of the Companies. We note that MRWP's security interests have since been discharged however, they have effectively been replaced by Gordon Brothers who now have an AIIPAAP registered security interest over the Companies. Please refer to **Section 2** for further details in regard to MRWP and **Section 6** for Gordon Brothers.

We summarise the current status of the security interests registered as at the date of our appointment below:

McWilliam's Wines Group

Category	Number of registrations
Discharged or to be discharged	77
Valid	48
No response or unperfected	4
Total	129

Mount Pleasant

All security interests registered as at the date of our appointment have now been discharged.

3.6. Winding up applications

At the date of our appointment, there were no outstanding winding up application against the Companies.

4. Historical financial position

This section provides a summary of the financial position and performance of the Group during the period of FY18, FY19 and FY20 December YTD.

Key takeaways

- | | |
|---|--|
| 1 | The Group recorded losses before tax totalling \$34.0 million over the period FY18 to FY20 YTD. |
| 2 | The net asset position of the Group reduced from \$57.4 million to \$31.3 million between 30 June 2018 and 31 December 2019. |

4.1. Preparation of financial statements

The Group's financial statements were prepared up to 30 June 2019. The Group has advised us that the Group's auditor, Deloitte, undertook the requisite field work in relation to the FY19 audit however the financial statements were never signed off due to concerns regarding the audit opinion that were not resolved prior to the appointment of Administrators. Accordingly, the Group's last signed audited financial statements were for FY18. The FY20 YTD figures represent the management accounts for the 6 month period from 1 July 2019 to 31 December 2019.

We note that the Group's financial reporting is prepared on a Group basis and accordingly there are no separate financial statements for the individual entities within the Group (i.e. Mount Pleasant does not have separate financial statements). Our analysis is primarily focused on FY18, FY19 and YTD20, however as per previous sections the Group had been loss-making for some years prior. The Group's strategic plan pursued from the commencement of FY20 recognised the Group was likely to continue to be loss-making for a couple of years as the turnaround was implemented.

The Group also prepared monthly management reports, budgets and cash flow forecasts.

4.2. Summary profit and loss

A summary of the Group's profit and loss statements is presented below:

\$000s	FY18 Restated (a)	FY19 Draft Unaudited	FY20 YTD Management (b)
Sales revenue (net of discounts and allowances)	87,030	70,824	39,107
Cost of sales (COS)	(70,691)	(58,304)	(32,391)
Cost of Sales (%)	81%	82%	83%
Gross profit	16,339	12,520	6,716
Other income	17,173	2,019	679
Total income	33,512	14,539	7,395
Expenses			
Growing costs	(4,841)	(4,752)	
Distribution and marketing expenses	(21,846)	(20,934)	
Occupancy and administration expenses	(8,599)	(5,870)	
Finance expenses	(2,995)	(2,888)	
Other expenses	-	-	
Total Expenses	(38,281)	(34,444)	(16,739)
Profit / (loss) before income tax	(4,769)	(19,905)	(9,344)
Tax (expense) / benefit	(130)	-	-
Net profit / (loss) for the period	(4,899)	(19,905)	(9,344)
Total other comprehensive income for the year	38	20	-
Total comprehensive profit / (loss) for the year	(4,861)	(19,885)	(9,344)

Source: Company financial statements and management accounts

Note: (a) The FY18 accounts were restated during preparation of the FY19 accounts; and (b) expenses for FY20 YTD have not been included as the management accounts do not categorise expenses in the same way as the prior year financial statements.

Key observations:

- We make the following comments in regard to FY18:
 - The Group's other income of \$17.2 million included the following "one off" or non-recurring amounts totaling \$14.8 million.

Item	\$
Net gain on sale of property, plant and equipment relating to Evans & Tate	3,491
Evans & Tate distributor's net income	3,100
FY18 share of profit in MRWP	632
Profit on sale of water rights	3,255
Changes in fair value of convertible notes	4,336
Total	14,814

- With the exclusion of these amounts, the Group's loss before tax would have been approximately \$19.4 million.
- We make the following comments with respect to FY19:
 - During FY19 the Group took significant steps to restructure its business, including addressing its funding issues, the commencing a strategic plan towards 'premiumisation' of its product range and implementing a change of its management team.
 - The reduction in revenue from FY18 included the impact of the disposal of the Evans & Tate brand and a decline in overall sales, primarily driven by declining export volumes.
 - There were significant increases in one off costs relating to rental costs on an already onerous lease for the former Chullora bottling site (\$3.7 million) and operating costs due to production delays with the third party bottling arrangement at Hanwood
- We make the following comments with respect to FY20 YTD:
 - A \$2.7 million loss has been recognised on the sale of the Group's interest in MRWP to Laguna for \$5.5 million.
 - Total sales for FY20 YTD were above budget, this was driven by sales of bulk wine to generate cash for the Group rather than the sale of finished goods into the Group's usual sales channels.

4.3. Summary balance sheet

A summary of the Group's balance sheet is presented below:

\$000s	FY18 Audited (a)	FY19 Draft Unaudited	FY20 YTD Management (b)
Current assets			
Cash and cash equivalents	354	501	2,317
Trade and other receivables	18,404	12,483	17,075
Inventory	34,513	30,774	28,058
Derivative financial instruments	6	16	-
Total current assets	53,277	43,774	47,450
Non-current assets			
Investments	17,869	8,167	17
Inventory	4,783	5,241	-
Property, plant and equipment	28,935	27,912	27,648
Total non-current assets	51,587	41,320	27,665
Total assets	104,864	85,094	75,115
Current liabilities			
Trade and other payables	21,531	16,877	19,892
Borrowings	22,610	17,641	7,734
Provisions	430	1,220	1,665
Contract liabilities	108	332	-
Employee benefits	1,404	1,140	-
Total current liabilities	46,083	37,210	29,291
Non-current liabilities			
Borrowings	271	6,075	10,644
Provisions	743	3,437	3,726
Employee benefits	361	358	29
Financial liabilities	-	-	156
Total non-current liabilities	1,375	9,870	14,555
Total liabilities	47,458	47,080	43,846
Net assets	57,406	38,014	31,269
Equity			
Issued capital	53,622	54,115	54,240
Reserves	4	42	14
Retained earnings / (accumulated losses)	3,780	(16,143)	(22,987)
Total equity	57,406	38,014	31,267

Source: Company financial statements and management accounts

Note: (a) The FY18 accounts were restated during preparation of the FY19 accounts; and (b) Some categories for the FY20 YTD management accounts may be different to the Group's statutory accounts (e.g. current and non-current inventory are not separated).

Key observations:

- The Group's cash balance was \$2.3 million at 31 December 2019, due to the sale of its remaining shareholding in MRWP for \$5.5 million in December 2019 less a simultaneous repayment of a \$4 million loan to MRWP. This also had the impact of reducing borrowings per the table below
- The Group's total borrowings as at 30 June 2019 and 31 December 2019 are detailed below:

Borrowings (\$000s)	30 June 2019	31 December 2019
MRWP Loan	3,996	-
MRWP Convertible Loan Notes	5,919	6,036
AssetSecure Receivables Facility	2,099	3,660
Shareholder Loan Notes	9,754	7,425
Other	1,948	1,257
Total	23,716	18,378

- Shareholder loan notes totalling \$2.6 million (including accrued interest) were converted into equity on 1 July 2019.
- Receivables of \$17.1 million at 31 December 2019 are high due to the seasonality of demand leading up to the Christmas period.
- The Group reduced its 30.4% (fully diluted) shareholding in MRWP to 10.2% (fully diluted) in January 2019, resulting in a decline in the Group's non-current assets. The remaining shareholding of 10.2% was sold to Laguna Bay in December 2019 at a loss.
- Prior to our appointment the Group had reduced its inventory balance, primarily excess bulk wine, to generate cash flow. We note the lower balance at December 2019 is partly due to timing, with inventory at a low point prior to Vintage 2020 and following the Christmas sales period.

5. Report on company activities and property and Directors' reasons for failure

This section provides a summary of the report on company activities and property submitted by the Directors, together with the Directors' explanation for the failure of the Group.

Key takeaways

- | | |
|---|---|
| 1 | The Group has an estimated surplus of assets over liabilities based on the Directors ROCAP. |
| 2 | The valuation of PPE and inventory for the Group is commercially sensitive and therefore the Administrators' ERV has not been provided. |

5.1. Report on company activities and property

Section 438B of the Act requires the Directors to provide Administrators with a ROCAP about a company's business, property, affairs and financial circumstances.

We received the signed Directors' ROCAP for each company in the Group from Jeffrey McWilliam and James Brayne on 5 February 2020 and Lisa Ashton on 6 February 2020.

In the ROCAP, the Directors detailed the Group's assets and liabilities at book value and ERV.

The commentary below assesses the Administrators' ERV on appointment rather than as at the date of this report. The actual and estimated realisations as at the date of this report can be found in the estimated outcome statement set out at **Section 10**.

The Administrators have not audited the Group's records or the book values. The below schedule should not be used to determine the likely return to creditors as a number of realisable values are based on the Group's records and remain subject to the review of the Administrators and, in particular:

- The Administrators are not in a position to confirm (or otherwise) certain asset values as they are commercially sensitive and are not disclosed in this report;
- The value of creditor claims remains subject to change as further claims may be received and require adjudication;
- The table below does not provide for possible trading losses or professional costs associated with the administration process; and
- The Administrators' ERV is at the date of their appointment.

Further detail on the estimated return to creditors from the administration is contained in **Section 10**.

5.2. Assets and liabilities of McWilliam's Wines Group Ltd

The following table summarises the assets and liabilities on appointment as disclosed in the Directors' ROCAP (we note that all of the Directors responses were the same):

\$000s	Ref	Book Value	Directors' ERV	Administrators' ERV Low Outcome	Administrators' ERV High Outcome
Assets					
Cash at bank	5.2.1	2,317	569	2,085	2,085
Debtors	5.2.2	11,988	11,988	10,789	11,092
Inventory	5.2.3	28,536	31,701	24,455	28,536
Property, Plant and Equipment	5.2.4	21,239	28,736	Withheld	Withheld
Other assets	5.2.5	17	438	-	438
Total assets		64,097	73,432	Withheld	Withheld
Liabilities					
Secured creditor – MRWP	5.2.6	6,036	6,332	6,393	6,393
Secured creditor – Receivables	5.2.7	3,660	3,660	1,088	1,088
Unsecured creditors, PPSR creditors, contingent liabilities and accruals	5.2.8	27,595	34,143	59,641	30,563
Employees claims	5.2.9	1,662	1,662	3,946	1,288
Total liabilities		38,953	45,797	71,068	39,332
Estimated surplus / (deficiency)		25,144	27,635	Withheld	Withheld

Notes

5.2.1. Cash

Immediately upon our appointment, the Administrators wrote to banks requesting that a freeze be placed on all accounts. Based on the responses received from the banks, the Group maintained bank accounts with ANZ and CBA, as detailed below:

Account Name	Bank	Amount (000\$)
Blocked A/C	ANZ	56
Payments A/C	ANZ	2,017
Cash Management A/C	ANZ	-
McWilliam's A/C	ANZ	-
Payments A/C	CBA	1
VISA Debit A/C	CBA	8
Cash on hand	N/A	3
Total		2,085

We note that Directors did not include the majority of the \$2.0m disclosed in the ANZ account in the above table as it was held on trust at the time of our appointment however, we subsequently received the funds and have included it in our ERV.

The Group also had funds held in trust with advisors that had previously been engaged (totalling \$25,078).

5.2.2. Debtors

The Directors' estimated debtors of \$11.9 million (net of rebates) would be collectible as at the date of our appointment.

We have continued to collect the debtors outstanding as at the date of our appointment and now expect to collect \$11.1 million (net of rebates). The variances relates to doubtful debts and differences between the estimated rebates and actual rebates provided.

5.2.3. Inventory

The Directors' estimate of inventory includes the book value of inventory as well as stock in international distributor stock in transit (which was not recorded in book value until received) and bulk wine stock that was subject to security interest by a third party.

Our high scenario assumes the value of the inventory on hand at our appointment is consistent with the book value recorded in the ROCAP and the value of the international distributor stock discussed above.

In a low scenario we have assumed, based on our experience operating the business and similar trade on administrations we have been appointed to in the past, certain categories of stock would be realisable at less than their book value. This represents a total reduction in book value of approximately 15%. Given the period of trading under administration, we have worked with management to address those lower realisable categories of stock via alternate sales routes (e.g. online auction) to ensure the stock profile upon completion of the sale/recapitalisation process represents realisable stock at book value.

The realisation scenarios described above and depicted in the table above are based on book value at the date of our appointment. As inventory has been realised during trading of the business, bulk wine has been converted to finished goods and Vintage 2020 wine has been recorded, the inventory outcomes in **Section 10** in both the liquidation and DOCA scenarios are based on the inventory on hand at the date of this report as opposed to the date of our appointment

5.2.4. Property, plant and equipment

Following our appointment a formal valuation of the property, plant and equipment of the Group was undertaken by independent specialist valuers. We have elected to withhold the valuation of these assets at this time on the basis that this information is commercially sensitive.

We have provided an estimated value of the property, plant and equipment in a forced liquidation scenario in **Section 10**.

5.2.5. Other assets

Other assets disclosed by the Directors include bank guarantees held by landlords (approximately \$332,000) and prepayments to various suppliers (mostly technology related) totalling approximately \$107,000.

We have assumed in the low scenario that these amounts would not be recoverable.

5.2.6. Secured creditor – MRWP

As detailed in **Section 2.2**, MRWP held a charge over the whole or substantially the whole of the property of the Group.

On 11 February 2020, MRWP issued the Group with a Notice of Redemption for the sum of \$6.2 million (equal to the face value of all notes plus accrued interest). The Administrators subsequently arranged payment of \$6.4 million to MRWP including their costs (e.g. legal costs and the Receivers' costs) with MRWP discharging their security interest.

The Administrators borrowed \$6.5 million from Gordon Brothers in order to refinance the MRWP facility. Please refer to **Section 6.4** for further details in regard to the Gordon Brothers funding.

5.2.7. Secured creditor – Receivables Facility

The Group had a debtor finance arrangement with AssetSecure. Prior to our appointment, AssetSecure had the authority to automatically sweep the Group's blocked bank account.

Immediately following our appointment, we wrote to AssetSecure requesting details of their outstanding debt. On our appointment there was an amount of \$1.1 million outstanding (including a default fee of \$0.3 million). This debt was subsequently repaid by the Administrators and AssetSecure's security interests were fully discharged.

5.2.8. Unsecured creditors, PPSR creditors, contingent liabilities and accruals

In the ROCAP, the Directors recorded more than 300 unsecured creditor claims totalling approximately \$34.1 million. A summary of the unsecured creditors is set out below:

\$000s	Directors' ERV	Administrators' ERV Low Outcome	Administrators' ERV High Outcome
Trade creditors and other unsecured creditors	11,832	18,411	15,491
Shareholder loan notes (related party)	7,425	7,517	7,713
Statutory creditors	2,179	4,068	1,634
Contingent liabilities	3,983	25,805	4,153
Accrued liabilities	1,921	2,600	1,300
Total	27,340	58,401	30,291
Secured creditors – PPSR	6,803	1,240	272
Total	34,143	59,641	30,563

We note that the Administrators' ERV in a high scenario is lower than the amount estimated in the liquidation scenario in **Section 10** as it does not include significant contingent liabilities that are assumed to crystallise in a liquidation scenario.

To date, the Administrators have received 190 proofs of debt totalling \$34.1 million. We note the total amount of creditor claims received to date is higher than our estimated low estimate of \$30.6 million. This is primarily a result of a large contingent claim that will be adjudicated for dividend purposes by the Trustees or Liquidators.

The Shareholder Loan notes are unsecured loan notes issued to shareholders (i.e. related parties) by the Group in 2012.

5.2.9. Employee claims

Our ERV low estimate of \$3.9 million assumes that all employees are terminated in a liquidation. Our high scenario of \$1.3 million assumes that the proposed DOCA is approved by creditors, resulting in ongoing employment of current staff and the continuation of leave entitlements owed to those continuing staff. We note that the amount disclosed in the liquidation scenario in **Section 10** is net of \$161,346 of entitlements paid during the administration to date.

The variance between our high estimate of employee entitlements of \$1.3 million as at the date of our appointment and the Group's books and records of \$1.7 million is due to the treatment of long service leave entitlements. We have only accounted for vested long service leave entitlements whereas the Group's books and records account for both vested and unvested long service leave entitlements.

Employee claims are afforded priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including Company directors and their spouses) are each restricted to a total maximum priority claim of \$2,000 in total for unpaid wages and superannuation entitlements and \$1,500 in total for leave entitlements. Amounts owed to excluded employees that exceed the statutory limit, and all payments owing in respect of redundancy and payment in lieu of notice, will rank as a non-priority unsecured claim.

5.3. Assets and liabilities of Mount Pleasant

The following table summarises the assets and liabilities on appointment as disclosed in the Directors' ROCAP:

\$000s	Ref	Book Value	Director's ERV	Administrators' ERV Low	Administrators' ERV High
Assets					
Property, Plant and equipment	5.3.1	6,409	11,975	Withheld	Withheld
Total assets		6,409	11,975	Withheld	Withheld
Liabilities					
Secured creditors – MRWP	5.3.2	6,036	6,332	6,393	6,393
Trade creditors, contingent liabilities and accruals	5.3.3	16	16	-	-
Total liabilities		6,052	5,627	6,393	6,393
Estimated surplus / (deficiency)		357	5,627	Withheld	Withheld

Notes

5.3.1. Property, Plant and Equipment

Following our appointment, a formal valuation of the property, plant and equipment of the Group was undertaken by specialist valuers. We have elected to withhold the valuation of these assets at this time on the basis that this information is commercially sensitive.

5.3.2. Secured creditor – MRWP

As detailed in **Section 2.2**, MRWP held a charge over the whole or substantially the whole of the property of the Group.

Please refer to **Section 5.2.6** for further details.

5.3.3. Trade creditors, contingent liabilities and accruals

The Directors disclosed only one trade creditor for Mount Pleasant which is not unexpected given it is a property holding company and all operations were conducted by McWilliam's Wines Group.

We have since contacted this creditor who advised there is no amount outstanding by Mount Pleasant. There are several other creditors that may have claims against Mount Pleasant and we are reviewing these claims.

5.4. Omissions from ROCAP

We have not identified any material omissions from the Directors' ROCAP.

5.5. Directors' opinions as to the reasons for failure

The Directors have provided their views on the affairs of the Group and attribute the following reasons to its failure, among other things:

- Inadequate cash flow and high cash use;
- Long history of trading losses;
- Changing consumer preferences towards more premium products and the Group's inability to react given more of a focus towards commercial priced products; and
- Failure to secure adequate and/or additional working capital funding

5.6. Administrator's opinions as to the reasons for failure

Our preliminary view is that, in addition to the reasons identified by the Directors, the Group failed as a result of, among other things:

- The Group had a history of significant trading losses that led to constraints on liquidity, resulting in the Group selling assets in order to repay debt obligations;
- A recapitalisation that occurred in January 2019 did not generate sufficient capital in order to support the Group's then proposed turnaround plan;
- There was a failure to secure adequate debt and equity funding;
- Pressure on margins and declining sales, particularly in relation to the slowing and unprofitable "Below \$10" retail price market;
- There were challenges in repositioning brands within the Group as well as market focus;
- Onerous lease at Chullora;
- There was a lack of strategic direction in terms of export markets and sales following the loss of the E.&J. Gallo distribution arrangement in 2014;
- Insufficient runway for the new management team to turnaround the business; and
- Significant turnover of key management team and Board in recent years.

6. The Administration to date and sale of business/recapitalisation process

This section provides an overview of the conduct of the Administration, including the trading of the business and the going concern sale/recapitalisation process.

Key takeaways	
1	The Administrators have continued to trade the Group's business in the ordinary course to preserve value via a going concern sale / recapitalisation.
2	Following an application made by the Administrators, the Court granted an extension of the Convening Period up to and including 31 July 2020.
3	The Administrators facilitated repayment of an amount totalling \$6.4 million to discharge the whole of the secured debt owing to MRWP plus MRWP's legal costs and costs incurred by its Receivers.
4	An exhaustive and comprehensive sale / recapitalisation process has been conducted during the course of the Administration.
5	The offer that provides the greatest return to creditors was received in the form of a DOCA proposal by the Deed Proponent and is discussed further in Section 7

6.1. The business at commencement of the Administration

On appointment, the Administrators assumed control of the Group's business. Appropriate controls and systems were put in place with respect to, amongst other things, cash / banking, purchase orders, stock control and reporting.

Whilst conducting an urgent assessment of the business we continued to trade in the ordinary course. In particular, we:

- Opened new accounts with service providers, utilities and other non-stock suppliers;
- Reviewed major contracts and negotiated terms of trade with various suppliers, including growers;
- Continued employment of staff;
- Negotiated certain payments of necessity to ensure continued supply of business critical services;
- Negotiated PPSR security interest settlements;
- Conducted meetings with Directors, senior management and staff, as well as other stakeholders;
- Issued instructions to carry out an immediate stock take for inventories and consumables;
- Engaged Arthur J Gallagher to review the adequacy of pre-appointment insurance policies held by the Group;
- Took steps to extend the convening period for the second meeting of creditors to assist with preserving sale options;
- Took steps to deal with non-essential leases;
- Carried out an external valuation of the Group's assets;
- Paid out MRWP's secured debt and entered into Funding Agreement with Gordon Brothers;
- Preparation and monitoring of an 'Administration' trading cash flow forecast;
- Reviewed the procedures for IT services and back up processes for information on site;
- Liaised with growers and made the requisite analysis before electing to undertake Vintage 2020;

- Reviewed the adequacy of the insurance policies held by the Company; and
- Engaged Colliers and undertook a sale / recapitalisation process.

6.2. Gordon Brothers Funding Agreement

Gordon Brothers is a multinational firm who provides capital solutions to special situations events (among other service offerings), such as a company entering Voluntary Administration, to assist with the restructure of the business.

The terms of the Funding Agreement dated 17 February 2020 provide, amongst other things, that:

- Gordon Brothers will make available to the Administrators the amount of \$6.5 million as a Loan;
- The purpose of the Loan was for the Administrators to apply the advance towards the refinancing of the MRWP Facilities;
- The Administrators are to repay the Loan and other amounts due under the Funding Agreement to Gordon Brothers as a cost of the administration in priority to the Administrators' claims for their own remuneration;
- The Administrators' own personal liability to repay the Loan is limited to the assets of the Group and Gordon Brothers will therefore have limited recourse to the Administrators, being limited to the assets of both McWilliam's Wines Group and Mount Pleasant;
- No interest is payable on the loan for a period of three months (given there was an establishment fee), with interest payable at the rate of 12% thereafter. We are of the view that it is unlikely that more favourable terms could have been obtained for finance given the Group is in external administration;
- Each of McWilliam's Wines Group and Mount Pleasant grant to Gordon Brothers a general security interest over all present and after acquired property of the Group; and
- Monthly covenant and other reporting obligations are to be adhered to by the Administrators to the satisfaction of Gordon Brothers.
- We note that the Administrators have made repayments totaling \$4 million, with a balance of \$2.5 million plus accumulated interest still to be repaid to Gordon Brothers. A summary of these payments are below:

Payment date	Principal paid \$	Interest paid \$
29 May 2020	2,000,000	30,082.20*
30 June 2020	2,000,000	44,383.56
Total	4,000,000	74,465.76

**note this related to interest for the period 17 May 2020 to 31 May 2020.*

6.3. Application to the Court to seek relief under Section 588FM

We wrote to all creditors on 28 February 2020 advising of our intention to make an application to the Federal Court of Australia for relief pursuant to Sections 447A and 588FM of the Act and Section 90-15 of Schedule 2 of the IPS in relation to the Funding Agreement entered into by the Administrators with Gordon Brothers for the purpose of:

- Discharging the Group's indebtedness to its largest secured creditor, MRWP, and the securities held by MRWP over the assets of the Group;
- Bringing an end to the appointment by MRWP of the Receivers to the assets and undertaking of the Group on 17 February 2020; and
- Entering into a General Security Deed dated 17 February 2020 on behalf of the Group with Gordon Brothers to secure the obligations under the Funding Agreement.

On 4 March 2020, the Administrators made the application to the Federal Court of Australia seeking relief. On 9 March 2020, the Court made orders pursuant to:

- Section 447A of the Act and Section 90-15 of the IPS limiting the Administrators' liability in relation to the Funding Agreement to the assets available to the Companies; and
- Section 588FM of the Act extending the period for the registration of the security interest relating to the Gordon Brothers General Security Deed.

A copy of the Orders is available via the following link www.kpmg.com/au/mcwilliams. Refer to **section 2.3** which outlines the reasons for the Administrators making an application to Court.

The liability of the Administrators under the Funding Agreement was therefore limited to the assets of the Group to which the Administrators had a statutory indemnity as Administrators of the Group. In the event that such assets are insufficient to cover the Administrators' liabilities under the Funding Agreement, which we do not consider to be the case, the Administrators and Gordon Brothers agreed (and the Court ordered) that section 443A(1) of the Act shall not operate so as to impose any personal liability on the Administrators in respect of such liability.

6.4. Vintage 2020

Following our appointment, we immediately took steps to engage with the Group's growers to ensure that Vintage 2020 would continue. Prior to our appointment the Group was working toward a total intake of 21,000 tonnes. We revised the total planned intake to 17,000 tonnes on the basis that we considered this to be a sustainable level of intake for the administration period whilst also supporting the sale process in terms of interested parties' assessment of ongoing operations and winery productivity.

Intake for Vintage 2020 was completed on 26 March 2020 with a final grape intake of 12,337 tonnes. This was below the initial target of 17,000 tonnes but ultimately in line with management's revised estimated intake of between 12,000 to 13,000 tonnes. This was due to Vintage 2020 being impacted by a number of significant adverse external factors which included the bushfires (i.e. smoke taint) and, yields in the Riverina region being up to 30% lower than expectation. Despite the lower intake, senior management were extremely pleased with Vintage 2020 in terms of quality, casual wage reduction from FY19, production and Work Health and Safety.

6.5. The sale of business process

Immediately following our appointment, with the appointment of Colliers as sale agent, we commenced a sale and marketing program seeking expressions of interest in the sale / recapitalisation of the business.

The timetable for the sale / recapitalisation process is summarised below.

Date	Milestone
24 January 2020	Administrators engaged Colliers to act as sales agent.
31 January 2020	Sales flyer and NDA provided to interested parties.
10 February 2020	Information Memorandum provided to interested parties following execution of NDA.
13 February 2020	Colliers uploaded listing to major real estate websites.
14 February 2020	Qualified parties given access to Stage 1 data room.
14 February 2020	Colliers emailed brochure to its domestic and international database of clients.

Date	Milestone
17 February 2020	First Colliers advertisement placed in the Australian Financial Review.
20 February 2020	First Colliers advertisement placed in The Australian.
24 February 2020	Second Colliers advertisement placed in the Australian Financial Review.
27 February 2020	Second Colliers advertisement placed in The Australian.
2 March 2020	Third Colliers advertisement placed in the Australian Financial Review.
5 March 2020	Third Colliers advertisement placed in The Australian.
11 March 2020	Colliers uploads promotional video to YouTube and distributes to client database.
31 March 2020	Deadline for NBIOS.
3 April 2020	Shortlisted parties given access to the Stage 2 data room for more detailed due diligence.
30 April 2020	Deadline for binding offers.
8 May 2020	The preferred bidder advised of their status by Colliers.
19 May 2020	Preferred bidder granted exclusivity to 31 May 2020 whilst sale documentation negotiated.
15 June 2020	Administrators advised the preferred bidder that the sale process would be reopened.
16 June 2020	Colliers emailed parties that had previously executed confidentiality agreements to advise that the sale process had been reopened until 30 June 2020. Parties were provided with access to the data room as requested.
30 June 2020	Deadline for binding offers.
30 June to 5 July 2020	<ul style="list-style-type: none"> – Assessment of final offers. – Number of competitive offers (eight received) for the whole or partial business under a DOCA and/or a business sale.
6 July 2020	Deed Proponent advised of their preferred status and underbidders notified.

We note the timetable above was based on professional advice provided by Colliers in order to:

- Undertake a comprehensive sales campaign; and
- Given interest from international parties, comply with the Foreign Investment Review Board requirements that stipulate a minimum 30 day advertising period.

Key statistics related to the sale/ recapitalisation process are:

- 170 parties expressed initial interest;
- 94 confidentiality agreements received and parties granted access to the data room;
- 18 NBIOS for whole or part of the Group's business received on 31 March 2020 and seven parties were shortlisted for further detailed due diligence in Stage 2;
- Multiple parties submitted binding offers on 30 April 2020; and
- On 30 June 2020, having reopened the process, we received multiple final binding offers and offers in the form of NBIOS.

Whilst we have considered all offers received, our priority has been to achieve a sale or recapitalisation of the Group's business on a going concern basis in the timeliest manner possible.

Offers were assessed on the following criteria:

- Likely outcome to all creditors of the Group (i.e. with a focus on overall value);
- Any conditions attached to the offer; and

- Ability to complete on a timely basis and distribute funds to creditors on a timely basis.

Our preferred offer received on 30 June 2020 was for a DOCA proposal from the Deed Proponent. Further information on the Deed Proponent and its DOCA proposal is provided in **Section 7**. The Administrators are of the view that this offer results in a superior outcome to the other offers received in terms of overall value and timing with respect to completing a transaction.

6.6. Key trading issues and trading results

Despite a number of significant issues arising during the Administrators appointment, including COVID-19, trading to 30 June 2020 (as depicted in the table below) has been cashflow positive and the Group's business has continued to operate on a "business as usual" basis. We discuss this in more detail below.

The Administrators have worked closely with management to ensure the ongoing operations of the Group. As discussed in **Section 6.4**, undertaking and completing a successful Vintage 2020 was a key ongoing trading consideration for the administration. This included attending the Hanwood winery to conduct a meeting with all growers in the first week of the administration to engage with the grower's and secure sufficient tonnage for Vintage 2020 given the proximity to the commencement of harvest. The Administrators undertook a review of the Group's grower matrix to determine both the volume of supply from each grower to ensure support of the Group's product portfolio strategy and consider the short and long term cash flow impacts of proceeding with Vintage 2020.

Once support of the majority of growers was obtained, we worked closely with the Group's key suppliers who had debts outstanding as at the date of appointment. We requested urgent set up of trading accounts to continue supply during the administration, which we were able to successfully achieve to ensure the business was able to continue trading "business as usual".

The Group had excessive slow moving and obsolete stock on hand as at the date of appointment. Despite various efforts to sell slow moving and obsolete stock, the Group still held very high levels of this stock. We worked with management to ensure the slow moving and obsolete stock was realised in an orderly manner during the administration. We were able to achieve this by allowing sales staff to drive sales of any stock in this category, as well as send approximately \$1 million in stock to be sold through Australia's largest auctioneer of wine, Grays Wine Australia. The majority of wines that were in the slow moving and obsolete stock category were those in the "Below \$10" range. This range of wines was not aligned with the Group's strategic plan and were largely being phased out or discontinued. We worked closely with management to undertake a line by line analysis of the stock to be auctioned at Grays Wine.

In line with the Group's strategic plan, the Group was in the process of implementing a product and brand rationalisation strategy prior to our appointment, which involved phasing out and discontinuing underperforming individual brands and a review profitability and margin contributions. Management were also transitioning to a more premium offering, with a major boost received during the administration being a major customer delivering nine new premium listings. The Group has also re-positioned its branding in some of its key premium ranges, being the McWilliam's Single Vineyard and more recently the McWilliam's flagship 1877.

We have closely monitored the impacts of the COVID-19 pandemic on the Group's cash flow, day-to-day operations as well as the wellbeing of all employees. The announcement on 26 March 2020 from the Federal Minister for Agriculture that the wine sector had been classed as an essential service, enabled the continuation of all vineyard and winery operations. The Group's employees were able to work from home where possible and a best practice approach to health and safety was implemented at the various locations, where working from home was not possible.

Further key trade on matters during the administration have included:

- Attending Hanwood winery, Mount Pleasant Winery and Pyrmont head office;
- Liaising with key suppliers and contractors to ensure ongoing production;
- Engaging a Work Health and Safety (WH&S) consultant to attend the Group's sites and implement WH&S remedial work;
- Liaising with international distributors (including orderly exit of Sogrape Vinhos and Henkell);
- Monitoring the Group's monthly sales forecast;
- Considering and exiting onerous contracts and leases;
- Reviewing the Group's bottling landscape;
- Implementing operational changes including standing employees down;

- Arranging for early repayment of first tranche of grower payments;
- Closing the Hanwood cellar door;
- Reviewing the Group's capex planning;
- Managing cash receipts and payments;
- Modelling early repayment of Gordon Bothers debt facility;
- Review of the Group's eligibility for the JobKeeper wage subsidy program;
- Considering quarantined stock resolutions;
- Monthly reporting to Gordon Brothers; and
- Monitoring the Group's cash flow.

The Administrators' trading receipts and payments for the period 8 January 2020 to 30 June 2020 are summarised below:

Trading receipts and payments to 30 June 2020	Total (incl GST) \$
Trading receipts	23,952
<i>Less: Trading Payments</i>	<i>(22,274)</i>
Net Trading Position	1,678
Cash at bank	2,085
Accounts Receivable	10,789
Net secured creditor position (MRWP/Gordon Brothers)	<i>(4,315)</i>
Asset Secure Payout	<i>(1,264)</i>
PMSI Claims	<i>(153)</i>
Professional Fees (Administrators, Legal, Valuers)	<i>(1,856)</i>
Agents Advertising and Marketing	<i>(117)</i>
Other	22
Total Receipts and Payments	6,869

In respect of the Group's receipts and payments to 30 June 2020 we note:

- The Group has a net trading receipts and payments surplus of circa \$1.7 million;
- The total receipts and payments are circa \$6.9 million; and
- The above does not take into account open purchase orders, work orders or future debtor collections and trading position of the Group, which are detailed in our Estimated Outcome Statement at **Section 10** of this report.

Full particulars of the Administrators' receipts and payments for the period 8 January 2020 to 30 June 2020 are attached as **Annexure B**.

7. Proposal for DOCA/Creditors' Trust

On 30 June 2020 a DOCA proposal was received from MCW BidCo Pty Ltd (**Deed Proponent**), an entity owned (through interposed entities) by Prcstnt Asset Management, which the Administrators consider will provide a higher and more certain return to creditors than a liquidation.

Key takeaways

- | | |
|---|---|
| 1 | The proposal received from the Deed Proponent provides a higher and more certain return to creditors than alternative proposals received or a liquidation. |
| 2 | The proposed DOCA allows for ongoing employment of the Group's staff and full payment to secured creditors with the likely outcome that unsecured creditors will be materially paid in full. If unsecured creditors are paid in full then it would result in a distribution to existing shareholders. |

7.1. Proposal received

The most favourable offer received is a DOCA Proposal from Prcstnt Asset Management.

A copy of the draft DOCA and Creditors' Trust is attached at **Annexure H**.

The key terms of the proposed DOCA are detailed below.

We consider that the proposed DOCA complies with section 25.6.6 of the Code.

7.2. Information on Prcstnt Asset Management and MCW Bidco Pty Ltd

MCW BidCo Pty Ltd is wholly-owned by MCW Holdco Pty Ltd (ACN 642487250) which is wholly-owned (through interposed entities) by Prcstnt Asset Management, a global capital and asset management firm focused on the intersection of sustainability and the industries of food and agriculture, energy and resources, technology and intelligence.

7.3. Key features of the proposal

7.3.1. DOCA/Creditors' Trust

The key elements of the proposed DOCA/Creditors' Trust are summarised in the table below:

Key Element	Comments
Deed Proponent	MCW BidCo Pty Ltd (ACN 642 488 524)
Acquisition of shareholdings	Shares in McWilliam's Wines Group will be transferred to the Deed Proponent (or another person or entity as notified by the Deed Proponent) following the satisfaction or waiver of conditions precedent.
Commencement date	The DOCA is to be executed within 15 business days following any approval by the creditors to enter into the DOCA at the Second Meeting of Creditors.

Key Element	Comments
Contributions	<p>On the Implementation Date of the DOCA (in broad terms, following the satisfaction or waiver of conditions precedent), the Deed Proponent will transfer the following amounts to the Deed Administrators:</p> <ul style="list-style-type: none"> (a) The Top Up Cash Amount (being, the sum of \$30 million plus (i) the Completion Stock Amount if not disputed; or (ii) the greater of (A) the undisputed amount of the Completion Stock Amount; and (b) The lesser of \$16 million and 90% of the Completion Stock Amount, minus the Leave Benefits Amount). As at the date of this report the Administrators estimate that the Top Up Cash Amount should be at least the sum of \$46 million, however, the final amount will be subject to the value of the Stock that is held by the Companies just prior to the Implementation Date. <p>Also on the Implementation Date and following receipt of the Top Up Cash Amount, the Deed Administrators are to transfer to the Creditors Trust the Top Up Cash Amount and all other cash balances (minus particular liabilities). Any receivables of the Companies that were created prior to Completion and well as any disputed component of the Stock that becomes payable to the Deed Administrators following Completion will also form a part of the Creditors Trust and be available for distribution to creditors.</p>
Deed Administrators and Trustees of the Creditors' Trust	The joint and several administrators of the Companies (Gayle Dickerson, Tim Mablesen and Ryan Eagle) will become the joint and several Deed Administrators of the DOCA and the joint and several Trustees of the Creditors' Trust.
Parties bound by the DOCA	<p>Without limiting sections 444D and 444G of the Act, the DOCA will bind:</p> <ul style="list-style-type: none"> (a) Each creditor with a claim against either or both of the Companies arising on or before the Commencement date; and (b) Each member (including shareholder) of each of the Companies. (c) Subject to section 444D(2) and (3) of the Act, Secured Creditors or an owner or lessor of certain property. <p>We note that certain claims may be classified as an "Excluded Claim" in the DOCA/Creditors' Trust and are subject to certain limitations. Such creditors are critical suppliers, are creditors where their existing lease/contract is required to continue with the Companies as well as any insurance claims.</p>
Purpose of the DOCA proposal	<p>Pursuant to section 435A of the Act, the DOCA/Creditors' Trust is intended to have the effect of:</p> <ul style="list-style-type: none"> (a) Maximising the chances of McWilliams Wines Group and Mount Pleasant and their businesses surviving and continuing to exist; and (b) Providing creditors of the Companies with a better return than they would otherwise receive in a liquidation.
Management of The Group	Control of The Group will continue be with the Deed Administrators throughout the Deed Administration Process. Following Completion of the Deed Administration Process (see section above). It is anticipated that Completion occur by November 2020. Upon Completion (including the transfer of shares to the Deed Proponent) control of the Group will be transferred to the Deed Proponent. The Deed Administrators will become the Trustees of the Creditors' Trust and will, among other things, attend to the adjudication of claims of creditors and attend to any dividend.

Key Element	Comments
Monitoring / reporting requirements	<p>Except as required by law, there are no requirements in the DOCA/Creditors' Trust for the Deed Administrators to report to creditors.</p> <p>The Deed Administrators may, in their absolute discretion, report to creditors during the DOCA Period at such times as the Deed Administrators consider appropriate and on matters which the Deed Administrators ought to be brought to the attention of the creditors.</p>
Moratorium period	<p>Subject to any leave granted under section 444E(3) of the Act, while the DOCA remains in force, creditors of the Companies will be subject to a moratorium and will not be able to enforce or recover or otherwise begin or continue any action against either Company in relation to any of their property other than as authorised under the DOCA.</p>
Distribution to employees (i.e. priority unsecured creditors)	<p>All outstanding employee entitlements for continuing employees at the date of execution of the DOCA will remain with the Group. Following Completion, the Deed Companies will be responsible for any claim by any continuing employee for annual leave and leave loading, personal/carer's leave and long service leave due to or accrued by a continuing employee up to completion of the DOCA. Superannuation contributions for continuing employees up to the Completion Date will be paid prior to the Completion of the DOCA.</p> <p>Payment of all other employee entitlements for employees who have resigned or were made redundant will have a claim in the Creditors' Trust.</p> <p>The DOCA/Creditors' Trust does not otherwise seek to alter in any way, vary or limit the rights of employees that they would otherwise have had if sections 556, 560 and 561 of the Act were applied to the Creditors' Trust.</p>
Distribution to secured creditors	<p>Secured creditors (i.e. any creditor holding a valid security interest over any property of the Companies) are expected to be paid in full. Please refer to Section 10 for further details.</p>
Distribution to unsecured creditors	<p>Please refer to Section 10 for the expected outcome to unsecured creditors.</p>
Continuing Leases / Excluded Contracts	<p>The DOCA Proponent has identified certain Continuing Leases and Excluded Contracts (as defined in the DOCA) that it requires to remain in place post completion.</p>
Key Employees	<p>The DOCA Proponent has identified certain key employees who are required to confirm to the Deed Administrators within 5 business days prior to the Implementation Date that it is their present intention not to resign before, at or immediately following, Completion (with their rights and obligations under their employment agreements with McWilliam's including any rights of resignation remaining unaffected and being preserved).</p>
Excluded Claims	<p>The proposed DOCA limits to some extent, certain claims by:</p> <ul style="list-style-type: none"> (a) Specific creditors, identified by the Deed Proponent, with Continuing Leases or Excluded Contracts (as defined in the DOCA); (b) Creditors who have agreed in writing with the Deed Proponent and the Administrators/Deed Administrators to not participate in distributions from the Trust Fund; and (c) Creditors with claims that may be discharged by a payment from an insurer. <p>Creditors with Excluded Claims will be entitled to make a claim in the Creditors' Trust for any Continuing Contract Claim and/or any Continuing Lease Claim (as those terms are defined) in relation to Excluded Contract but will not be entitled to make a claim against the Trust Fund in relation to any other aspects of an Excluded Contract.</p>

Key Element	Comments
Secured Creditors	<p>It is a condition precedent, among others, of the DOCA proposal that the Deed Administrators procure the consent of certain secured creditors, as identified in the DOCA/Creditors' Trust, to release their securities at and from Completion.</p> <p>Certain secured creditors will have their security interests remain post Completion.</p>
Release of claims	<p>Immediately upon and with effect from Completion of the DOCA, all claims against the Companies by creditors will be released, extinguished and fully discharged. Upon all Claims being released, each Trust Creditor who had a Claim, will be entitled to make a claim against the fund available in the Creditors' Trust, which will be equal to the amount to their released Claim.</p>
Meetings	<p>The Deed Administrators may convene meetings during the DOCA in the manner prescribed by the provisions of Division 75 of the Insolvency Practice Schedule and Division 75 of the Insolvency Practice Rules.</p>
Administrators' indemnity	<p>For amounts specified in the DOCA (including but not limited to their remuneration, costs, other liabilities, losses and damages), the Deed Administrators are entitled to be indemnified (and to be kept indemnified) as voluntary administrators and deed administrators by each of the Companies. After Completion, the Trustees will also be entitled to an indemnity from the Trust Fund out of the assets of each of the Companies.</p>
Creditors' Trust	<p>A Creditors' Trust will be established for the purposes of the Deed. It is intended to come into effect from the Implementation Date. Its purpose, among other things, is to enable certain tasks ordinarily undertaken by deed administrators (including but not limited to calling for, adjudicating claims of creditors and paying any dividends) to be performed by the Trustees of the Creditors Trust in order to facilitate the early Execution of the DOCA and the acceleration of the Companies out of an insolvency process.</p>

Key Element	Comments
Conditions Precedent	<p>Completion is conditional upon all of the following conditions being satisfied or waived on or prior to the Sunset Date (30 November 2020):</p> <ul style="list-style-type: none"> (a) ASIC granting such exemptions or modifications from Chapter 6 of the Act pursuant to section 655A of the Act as are necessary to permit the transfer of the Shares to the Deed Proponent (or another person or entity as notified by the Deed Proponent); (b) The Deed Administrators and each Deed Company executing and exchanging the Creditors' Trust Deed; (c) A Court making a Section 444GA Order; (d) A resolution being passed by the Directors of each of the Deed Companies appointing the New Directors as directors of the Deed Companies and acknowledging the resignations of the Directors from the Deed Companies with effect from Completion and subject to each of those New Directors delivering a signed consent to act as a director and each Director having delivered a signed notice of resignation to the Deed Administrators; (e) The execution of such documents as the Deed Proponent may reasonably require in order to confirm the continuation of specified leases and contracts (as appropriate as defined in the DOCA) that will remain in place at and immediately after Completion; (f) The cancellation of any options or performance rights on issue in McWilliam's Wines Group and its subsidiaries for nil consideration, such that ordinary shares are the sole class of securities in McWilliam's Wines Group and its subsidiaries; (g) The Deed Administrators procuring the release of certain securities at and from Completion; (h) M&G and McWilliam's Wines Group entering into a deed of assignment in relation to certain intellectual property owned by M&G; and (i) The Key Employees confirming to the Deed Administrators within five business days prior to the Implementation Date that it is their present intention not to resign before, at or immediately following Completion and remaining employed by the date the Conditions Precedent are satisfied or waived; (j) The Deed Companies terminating all leases and licences to occupy real property other than the leases that are to continue following completion of the DOCA; and (k) The Deed Companies procuring the removal of specific assets from the premises that the Companies will continue to occupy from Completion including, but not limited to, inventory on consignment and stock sold under certain trade marks;
Termination	<p>This Deed will terminate upon the earlier of:</p> <ul style="list-style-type: none"> (a) The Court making an order terminating the DOCA pursuant to section 445D of the Act; or (b) The creditors of each Deed Company with a Claim passing a resolution terminating this Deed at a meeting convened under the provisions of Division 75 of the Insolvency Practice Schedule and Division 75 of the Insolvency Practice Rules, by notice setting out the proposed resolution that this Deed be terminated; or (c) The DOCA effectuates (ie. obligations are complied with); or (d) By the happening of any event which is by the terms of this Deed expressed to terminate this Deed automatically without recourse to the Court or to a meeting of the Creditors.

7.3.2. Creditors trust

Creditors should read ASIC's "Regulatory Guide 82 – External Administration: Deeds of company arrangement involving a Creditors Trust" available on the ASIC website.

In accordance with RG82, please see the below information relating to the use of a creditors trust in this proposal.

Item	Information for creditors
Reason	<p>The DOCA Proponent has proposed, amongst other things, the use of a Creditors' Trust in the DOCA to operate in conjunction with the DOCA in order to accelerate the Companies' exit from external administration.</p> <p>The effect of combining the Creditors' Trust with the DOCA will be that it will restrict the further investigation of the Companies' affairs and enable the Companies to be released from all liabilities immediately upon execution of the DOCA. Practically, this will allow for the DOCA Proponent to take control of the business sooner than it would under a DOCA alone as the DOCA (as proposed) can complete before all claims are adjudicated and a distribution made. It is therefore likely that a distribution will be made sooner than would be the case without a Creditors' Trust and otherwise result in a greater gross realisation.</p>

Item	Information for creditors																
Key events	The key events under the Proposed DOCA and Creditors' Trust are listed below:																
	<table><tr><th>Key event</th><th>Estimated timing</th></tr><tr><td>Execution of Proposed DOCA & creation of Creditors' Trust</td><td>On or before 13 August 2020</td></tr><tr><td>Preparation of Independent Expert's Report, application to ASIC seeking relief from section 606 of the Act to enable transfer of 100% of shares by Deed Administrator to Deed Proponent and commencement of section 444GA application in Court to s444GA orders.</td><td>By mid-September 2020</td></tr><tr><td>Obtain s444GA orders from the Court</td><td></td></tr><tr><td>Complete other conditions precedent</td><td></td></tr><tr><td>Execution and termination of DOCA</td><td>By October 2020</td></tr><tr><td>Creditor claims against Company released and extinguished and claims converted to rights as beneficiaries of Creditors' Trust</td><td></td></tr><tr><td>Adjudication of claims and distribution to beneficiaries of Creditors' Trust</td><td>Prior to the end of December 2020</td></tr></table>	Key event	Estimated timing	Execution of Proposed DOCA & creation of Creditors' Trust	On or before 13 August 2020	Preparation of Independent Expert's Report, application to ASIC seeking relief from section 606 of the Act to enable transfer of 100% of shares by Deed Administrator to Deed Proponent and commencement of section 444GA application in Court to s444GA orders.	By mid-September 2020	Obtain s444GA orders from the Court		Complete other conditions precedent		Execution and termination of DOCA	By October 2020	Creditor claims against Company released and extinguished and claims converted to rights as beneficiaries of Creditors' Trust		Adjudication of claims and distribution to beneficiaries of Creditors' Trust	Prior to the end of December 2020
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While there are a number of factors that may impact the timing, the Administrators anticipate that:																	
(a) The DOCA could be effectuated and terminated by November 2020 and funds distributed to beneficiaries of the Creditors Trust prior to the end of December 2020.																	
(b) Any delays to this timeline are likely to be a result of the completion of some of the conditions precedent, including the section 444GA application.																	
We note that DOCA has a sunset date of 30 November 2020 by which time the conditions precedent must have been met.																	
Return	The anticipated return to creditors is discussed in Section 10 . The Administrators do not believe that use of a Creditors' Trust will result in any difference to the return to creditors when compared to a DOCA without the use of a Creditors' Trust, as the Trustees will undertake similar tasks to a Deed Administrators, and there is no delayed or earn-out component to the Trust Fund contributions.																

Item	Information for creditors
Trustee particulars	<p>The Administrators are proposed to be appointed as Trustees of the Creditors' Trust. In this regard, we note that:</p> <ul style="list-style-type: none"> – Each of the Administrators is a registered liquidator with extensive experience in the insolvency industry. The Administrators consider that they have the necessary skills and experience to be appointed as Trustees. – The Administrators do not believe they would have any conflicts of interest when acting as Trustees. – The proposed trustees have civil liability insurance (including professional indemnity and fidelity) that will cover conduct by them in their capacity as trustees of the proposed trust which reflects their insurance obligations as registered liquidators, the nature and aggregate value of which are confidential.
Remuneration	<p>The Creditors' Trust will provide for the payment of the Administrators', Deed Administrators' and Trustees' remuneration from the Trust Fund in priority to any payment to admitted creditors. Included in this priority category are:</p> <ul style="list-style-type: none"> (a) Trustees' remuneration, costs, charges and expenses; and (b) Administrators' and Deed Administrators' remuneration, costs and expenses. <p>The Trustees' remuneration will be calculated on the same basis as the Administrators' and Deed Administrators' remuneration; that is, they will be calculated using KPMG's standard hourly rates.</p> <p>We estimate the future remuneration of the Deed Administrators and Trustees to be \$393,000 (including GST). This estimate does not take into account any protracted negotiations when adjudicating on creditor claims and will be dependent on the time taken for such adjudication and distribution to beneficiaries of the Creditors' Trust. The remuneration is proposed on being paid as it is incurred.</p> <p>The Trustees' fees will be in connection with any work reasonably performed in connection with the:</p> <ul style="list-style-type: none"> (a) calling for and adjudicating upon creditor claims; (b) distribution of the Trust Fund; and (c) exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Trustees pursuant to the Trust Deed. <p>Whilst in a Creditors' Trust, there are no statutory provisions for approval of remuneration as required under the Act, any beneficiary can apply to the Supreme Court of NSW to seek a review or challenge the Trustees' remuneration.</p>
Indemnities	<p>The Creditors Trust Deed will provide the Trustees with a continuing indemnity out of the Creditors' Trust assets. The Trustees will be entitled to be indemnified out of the Trust Fund for all actions, suits, proceedings, accounts, claims and demands arising out of or relating to the Creditors' Trust Deed which may be commenced, incurred by or made on the Trustees by any person and against all costs, charges and expenses incurred by the Trustees in respect of them, provided that any such indemnity does not contravene the Act or <i>Trustee Act 1925</i> (NSW).</p> <p>While any such actions may reduce the available funds and diminish the return to creditors, the Administrators do not foresee any material legal actions other than that detailed in the DOCA. This indemnity takes effect from the commencement of the DOCA and will endure for the benefit of the Deed Administrators and Trustees.</p>

Item	Information for creditors
Powers	<p>The powers of the Trustees will be defined by the terms of the Creditors Trust Deed and include administering the Trust Fund in accordance with the provisions of the DOCA and the Trust Deed, doing anything incidental to exercising the powers set out in the Deed and anything else necessary or convenient for administering the Creditors' Trust</p> <p>More specifically the Trustees' tasks will involve the adjudication of claims and distribution of the Creditors' Trust Funds. The Trust Deed also incorporates powers that would apply to Deed Administrators. Details of these powers are in the DOCA proposal and Trust Deed to be tabled at the forthcoming creditors meeting. Accordingly, it is unlikely there will be any significant differences in the powers of the Trustees with the respect to their tasks when compared to those of Deed Administrators.</p> <p>Deed Administrators are governed by the Act whereas a creditors' trust in NSW is governed by the Trust Deed and the <i>Trustee Act 1975</i> (NSW).</p>
Creditor claims	<p>Creditors' claims (except Excluded Claims as defined in the DOCA proposal) against the Companies arising prior to the appointment of the Administrators on 8 January 2020 will be extinguished and replaced with rights to claim as beneficiaries of the Creditors' Trust.</p> <p>Distributions from the Creditors' Trust Fund will be made by the Trustees in the following order, in general terms:</p> <ul style="list-style-type: none"> (a) First, to the Trustees for their remuneration and costs; (b) Second, to the Administrators and Deed Administrators for their remuneration and costs to the extent they have not been paid; (c) Third, to priority unsecured claims (employees); (d) Fourth, to secured creditors; (e) Fifth, to Trust creditors on a pro-rata basis in accordance with the dollar value of their admitted claims; (f) Sixth, interest in relation to the claims of creditors; and (g) Seventh, any existing shareholder on a pro-rata basis in accordance with their existing shareholding. <p>In other words, the Creditors' Trust Fund will distribute funds in accordance with the priority that would apply if the Companies were placed into liquidation.</p>

Item	Information for creditors
Other creditor/ beneficiary differences	<p>We note that there are differences between creditors' rights under Part 5.3 of the Act, a creditors' trust and general trust law.</p> <p>In a DOCA, creditors have the right to request a meeting of creditors or apply to Court to seek orders to amend the DOCA. Under a creditors' trust, creditors may not have this option. A creditors' trust results in the loss of court supervision under the Act. While the Court can still provide relief under the general law of trusts, the safeguards available to creditors under Part 5.3A of the Act are no longer available.</p> <p>To note, the beneficiaries of the proposed Creditors' Trust may not have the ability to challenge the decisions or actions of the Trustees as they would have against Deed Administrators.</p> <p>However, the DOCA will be operational for at least two months before the commencement of the Creditors' Trust while certain conditions precedent are achieved. This will allow any aggrieved creditor the opportunity to exercise their statutory rights during this period.</p> <p>Creditors will have 14 days to appeal the Trustees' decision to reject their claim. Accordingly, the Administrators do not believe that creditors will be disadvantaged.</p> <p>As the Trustees are all registered liquidators, creditors have the ability to make any complaints about their conduct to ASIC</p>
FEG	<p>Should the Proposed DOCA and Creditors Trust proceed, employees of the Companies would not have the option of making a claim under the Fair Entitlements Guarantee (FEG) scheme as they will not have access to it. The FEG scheme may only be available if the Companies are placed into liquidation.</p> <p>However, the Administrators expect that any priority unsecured claims (i.e. employees) will be paid in full (refer to Section 10).</p>
Compliance opinion	<p>The Administrators are of the opinion that the Deed Proponent is likely able to comply and is capable of complying with their obligations under the Proposed DOCA and the Trust Deed and likely to comply with their obligations to the Trustees if the DOCA proposal is approved by creditors. :</p> <p>Furthermore, claims against the Companies are not extinguished until the funds to satisfy creditor claims are paid into the Trust Fund.</p>
Solvency statement	<p>The Administrators are of the opinion that the Companies will become solvent at the date of the Execution of the DOCA as the debts of the Companies (including all creditor claims) will have been extinguished and the Deed Proponent will provide new and necessary funding to the Companies to enable debts to be paid as and when they fall due and to continue trading.</p>
Tax (company / trust)	<p>There may be income tax implications for the Companies if a DOCA is approved by creditors for the use of a creditors' trust. Transfers from Companies to Creditors' Trust sometimes are not at arm's length. This may give rise to a gain on either revenue or capital account for the Companies for income tax purposes, which would be taxable to the Companies. Further, any assignment of the debts of the Companies to the Creditors' Trust, or extinguishment of the rights of the Creditors as against the Companies, could result in the application of the commercial debt forgiveness rules. These rules can result in the erosion of the tax attributes of the Companies (e.g. tax losses, tax-deductible expenses and cost bases of capital assets), which may result in the Companies making a higher gain for tax purposes.</p>

Item	Information for creditors
Tax (creditor/ beneficiary)	<p>There may be income tax and stamp duty implications for the Creditors' Trust and Creditors in participating in the DOCA. The Administrators are not presently able to provide details of these implications however, some general comments are provided below.</p> <p>Where assets are transferred from the Companies to the Creditors' Trust, and those assets are dutiable property, the trustee for the Creditors' Trust may be liable for stamp duty. What constitutes dutiable property varies from jurisdiction to jurisdiction but generally includes real property, business assets transferred with real property, shares in land rich entities and motor vehicles. It is noted in this case that it is not intended for such property is intended to be transferred. If income is derived by the Creditors' Trust in a given year and the Creditors (as beneficiaries) are not presently entitled to all of the income, the trustee for the Creditors' Trust will be liable to pay income tax at the highest marginal rate. Since the trustee for the Creditors' Trust would ordinarily be entitled to a right of indemnity out of the trust's assets for tax liabilities, the occurrence of tax at the trust level will nonetheless be borne by the Creditors.</p> <p>There may also be income tax and stamp duty implications for Creditors where distributions are received from the Creditors' Trust rather than as a creditor of the Companies. Where a Creditor receives a distribution directly from the Companies, in its capacity as creditor, the tax treatment would generally follow the treatment of the underlying liability discharged. For example, the repayment of an amount in principal would not be subject to income tax in the hands of the Creditor, but the interest would be subject to income tax. However, if the same distribution is received by the Creditors' Trust, the distribution may lose its original character and the entire amount may be subject to income tax (eg principal and interest). Furthermore, if an in-specie distribution is made by the Creditors' Trust to the Creditor, and that distribution consists of dutiable property, the Creditor may be liable for stamp duty. Again, it is not intended in this case for such property to be transferred. Given the possibility for stamp duty to arise on the transfer from the Companies to the Creditors' Trust, this could result in potentially double duty being payable.</p> <p>The above comments are of a general nature only and we recommend that individual creditors seek their own independent tax advice specific to their circumstances prior to voting at a meeting of creditors.</p>

7.4. Further information for creditors

7.4.1. DOCA

Creditors should seek their own legal advice as to their rights and the impact of entering into a DOCA.

Creditors can obtain further information from the ASIC website at www.asic.gov.au under Regulatory Resources – Insolvency – Insolvency for Creditors.

7.4.2. Creditors' Trust

Tax Implications for the Deed Administrators

See table above.

Tax implications for the Creditors' Trust and Creditors

See table above.

Generally therefore creditors will need to consider the taxation implications of receiving a distribution of asset as beneficiary of a trust (as opposed to receiving a distribution as a creditor of a company) as and when they are made.

8. Statutory investigations

This section provides creditors with information on the preliminary investigations undertaken by the Administrators to date, and whether there have been any potential actions identified that may be pursued by a liquidator, if appointed.

Key takeaways	
1	The Administrators believe that the Group may have been insolvent on or around 30 November 2019
2	Based on the Administrators preliminary conclusion as to a date of insolvency on or around 30 November 2019, the total estimated quantum of an insolvent trading claim is approximately \$3.4 million. This figure may change subject to further investigations by a liquidator, including finalising a conclusion on the date of insolvency and review of creditor claims post the date of insolvency. We note the Directors sought Safe Harbour advice and will likely rely on this should there be a claim.

8.1. Nature and scope of review

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs and financial circumstances.

Investigations centre on transactions entered into by the Group that a liquidator might seek to have declared void (together with orders for repayment or compensation) if the Group is wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal or resolve to wind up the Group. We investigated matters to the extent possible in the time available.

A liquidator may recover funds from certain voidable transactions or through other avenues; for example, through action seeking compensation for insolvent trading or breach of director duties. Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

A deed administrator does not have recourse in relation to voidable transactions.

The Administrators' knowledge of the Group's affairs comes principally from the following sources:

- Discussions with the Directors, their advisors and key staff members;
- The Directors' ROCAP;
- Management accounts, books and records, board reports and financial statements;
- The Company's internal accounting system;
- Correspondence and discussions with the Company's creditors;
- An independent valuation of the Company's assets;
- Searches obtained from relevant statutory authorities;
- Records maintained by the ATO; and
- Publicly available information.

8.2. Directors' and officers' responsibilities

Sections 180 to 184 of the Act set out the duties, obligations and responsibilities imposed on Directors which are designed to promote good governance and ensure that Directors act in the interests of the Company/Group. These duties include:

- Duty of care and diligence;
- Duty of good faith;
- Duty not to make improper use of position; and
- Duty not to make improper use of information.

Based on our investigations to date, we have not identified any offences under these provisions of the Act.

8.3. The Company's solvency

Some actions available to a liquidator to recover funds through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvent trading, require the Company's insolvency to be established at the relevant time.

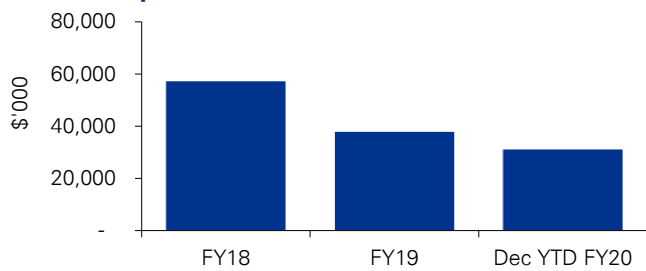
There are two primary tests used in determining a company's solvency, at a particular date, namely:

- Balance sheet test; and
- Cash flow or commercial test.

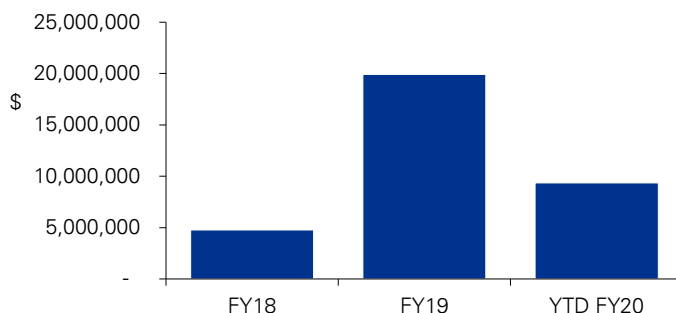
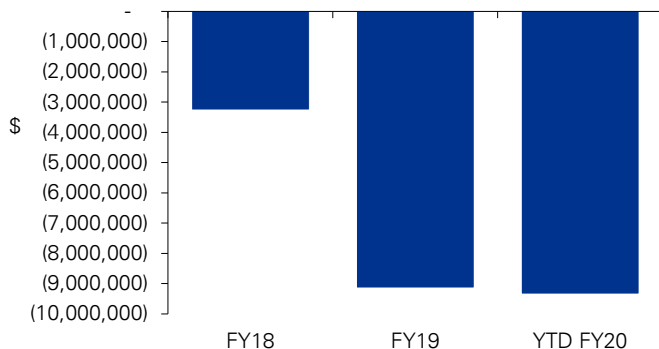
The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date along with several other indicators.

We have summarised below the insolvency indicators adopted by the Courts and the ASIC together with our comments in relation to the Group:

McWilliams Wines Group Ltd Indicators of Insolvency			
Indicator	FY18	FY19	YTD FY20
Profitability/ trading losses	✓	✓	✓
Working capital deficiency (current ratio below 1)	✗	✗	✗
Overdue commonwealth and state taxes	✓	✓	✓
Net asset deficiency	✗	✗	✗
Inability to extend finance facilities and breaches of covenants	✓	✓	✓
Inability to meet other financial commitments/ default on finance agreements	✓	✓	✓
Cash flow difficulties	✓	✓	✓
Ageing of creditors	✓	✓	✓
Access to alternative sources of finance (including equity capital)	✗	✗	✗
Inability to dispose non-core assets	✗	✗	✗
Special arrangements with creditors/ legal action threatened or commenced by creditors	✓	✓	✓
Dishonoured payments	✗	✗	✗
Material uncertainty auditor opinion	✓	✓	?
Legend:	Preliminary assessment of insolvent period		
Indicator	✓		
Requires further investigation	?		
Not an indicator	✗		

Insolvency indicator	Present	Administrators' comments												
Endemic shortage of working capital - balance sheet test														
Working capital deficiency	No	<p>Working capital ratios can be used as a general indicator of liquid assets available to pay debts as and when they fall due within 12 months. A working capital ratio of less than 1.0 indicates a company may not be able to pay its debts as and when they fall due.</p> <p>Based on the audited financial accounts from FY18, the unaudited accounts at FY19 and the FY20 YTD management accounts, the Company does not appear to have experienced a working capital deficiency, with a current ratio above 1.0 during this period:</p>												
		<table><tr><th>Date</th><th>Financials</th><th>Ratio</th></tr><tr><td>FY18</td><td>Audited</td><td>1.23</td></tr><tr><td>FY19</td><td>Unaudited</td><td>1.18</td></tr><tr><td>FY20 YTD</td><td>Management*</td><td>1.62</td></tr></table>	Date	Financials	Ratio	FY18	Audited	1.23	FY19	Unaudited	1.18	FY20 YTD	Management*	1.62
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FY18	Audited	1.23												
FY19	Unaudited	1.18												
FY20 YTD	Management*	1.62												
<p>*prepared to 31 December 2019</p>														
Net asset deficiency	No	<p>Based on the audited financial accounts from FY18, the unaudited accounts at FY19 and the FY20 YTD management accounts, the Company did not experience a net asset deficiency from FY18 onwards. Despite this, the net asset position of the Company reduced from \$57 million in FY18 to \$31 million at 31 December 2019:</p> <p>Net asset position - FY18 to FY20 YTD</p>  <table><caption>Net asset position - FY18 to FY20 YTD</caption><tr><th>Period</th><th>Net asset position (\$'000)</th></tr><tr><td>FY18</td><td>57,000</td></tr><tr><td>FY19</td><td>38,000</td></tr><tr><td>Dec YTD FY20</td><td>31,000</td></tr></table>	Period	Net asset position (\$'000)	FY18	57,000	FY19	38,000	Dec YTD FY20	31,000				
Period	Net asset position (\$'000)													
FY18	57,000													
FY19	38,000													
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Insolvency indicator	Present	Administrators' comments																								
Ageing of creditors	Yes	<p>The historic ageing of the Company's creditors per management accounts is as follows:</p> <p>Trade creditors >60 days total and % of total trade creditors outstanding</p> <table border="1"> <caption>Trade creditors >60 days total and % of total trade creditors outstanding</caption> <thead> <tr> <th>Date</th> <th>\$ value of outstanding creditors >60 days</th> <th>% of total creditors >60 days</th> </tr> </thead> <tbody> <tr> <td>01-Jun-18</td> <td>~4,200,000</td> <td>~37%</td> </tr> <tr> <td>01-Sep-18</td> <td>~2,200,000</td> <td>~28%</td> </tr> <tr> <td>01-Dec-18</td> <td>~1,500,000</td> <td>~37%</td> </tr> <tr> <td>01-Mar-19</td> <td>~800,000</td> <td>~16%</td> </tr> <tr> <td>01-Jun-19</td> <td>~1,500,000</td> <td>~24%</td> </tr> <tr> <td>01-Sep-19</td> <td>~1,200,000</td> <td>~19%</td> </tr> <tr> <td>01-Dec-19</td> <td>~1,800,000</td> <td>~19%</td> </tr> </tbody> </table> <p>We comment on the history of aged creditors as follows:</p> <ul style="list-style-type: none"> For the period 30 June 2018 to 31 December 2018, aged creditors greater than 60 days ranged between 28% and 37% At 31 March 2019, aged creditors greater than 60 days was significantly reduced to 16% following the completion of the Laguna Bay transaction in January 2019 in which the Company received funds of \$16.4 million which it used to repay debt and for working capital purposes For the period 30 June 2019 to 31 December 2019, aged creditors greater than 60 days ranged between 19% and 24% We are aware that some trade suppliers were in payment plans or stop supply with the Company for extended periods of time prior to our appointment. 	Date	\$ value of outstanding creditors >60 days	% of total creditors >60 days	01-Jun-18	~4,200,000	~37%	01-Sep-18	~2,200,000	~28%	01-Dec-18	~1,500,000	~37%	01-Mar-19	~800,000	~16%	01-Jun-19	~1,500,000	~24%	01-Sep-19	~1,200,000	~19%	01-Dec-19	~1,800,000	~19%
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01-Sep-19	~1,200,000	~19%																								
01-Dec-19	~1,800,000	~19%																								
Inability to extend finance facilities and breaches of covenants	Yes	<p>The Company had a number of financing arrangements with multiple parties. We have summarised those facilities where McWilliam's breached the terms of the agreement from FY18 to FY20 YTD:</p> <ul style="list-style-type: none"> On 30 June 2018 the Company was not compliant with the commercial terms of its invoice finance facility with AssetSecure, specifically the interest cover ratio. AssetSecure confirmed in writing this an event of default and they may call the repayment of the facility, including that the facility would need to be refinanced either as part of the recapitalisation proceeds or other means, by 23 December 2018. The Company's global wine supply agreement with E&J Gallo was terminated and their preference shares fully redeemed for an amount of \$7.3 million, payable in instalments under a loan deed as follows: \$0.6 million on settlement and 4 equal instalments of \$1.675 million on 1 July 2016, 1 July 2017, 1 July 2018 and 1 July 2019. The loan repayment of \$1.675 million due on 1 July 2018 was not made, with repayment being made in monthly instalments. We note from Board packs that the monthly payment due in September 2018 was not met. There were also breaches of contract with E&J Gallo sales support in Canada as commissions had not been paid for several months at October 2018. We note the final instalment was not paid prior to our appointment. 																								

Insolvency indicator	Present	Administrators' comments								
		<ul style="list-style-type: none">McWilliam's provided an unconditional guarantee for its external loan facility between MRWP and CBA, which was used to fund the loan from MRWP to McWilliam's. The facility was subject to financial covenants and a repayment schedule, including \$10 million which was due on or before 30 June 2018. This amount was paid late and as a result, the facility was in breach of its terms at 30 June 2018.On 4 October 2018 the Company received formal notification of breach under the lease terms between the Company and QWIL Investments Pty Ltd, the lessor of Hanwood vineyard. The breach related to the term of the rental guarantee lapse								
Availability of other cash resources – cash flow test										
Profitability / trading losses	Yes	<p>Based on the audited financial accounts from FY18, the unaudited accounts at FY19 and the FY20 YTD management accounts, the Company recorded \$34 million in net losses before tax from FY18 to FY20 YTD. The losses were incurred in each year during this period.</p> <p>Net losses before tax - FY18 to FY20 YTD</p>  <table><tr><th>Period</th><th>Net losses before tax (\$)</th></tr><tr><td>FY18</td><td>4,500,000</td></tr><tr><td>FY19</td><td>20,000,000</td></tr><tr><td>YTD FY20</td><td>9,500,000</td></tr></table>	Period	Net losses before tax (\$)	FY18	4,500,000	FY19	20,000,000	YTD FY20	9,500,000
Period	Net losses before tax (\$)									
FY18	4,500,000									
FY19	20,000,000									
YTD FY20	9,500,000									
Cash flow difficulties	Yes	<p>Based on the audited financial accounts from FY18, the unaudited accounts at FY19 and the FY20 YTD management accounts, the company experienced net operating cash deficits of \$21.8 million during this period.</p> <p>Cash flows from operations</p>  <table><tr><th>Period</th><th>Cash flows from operations (\$)</th></tr><tr><td>FY18</td><td>(3,000,000)</td></tr><tr><td>FY19</td><td>(9,500,000)</td></tr><tr><td>YTD FY20</td><td>(9,500,000)</td></tr></table>	Period	Cash flows from operations (\$)	FY18	(3,000,000)	FY19	(9,500,000)	YTD FY20	(9,500,000)
Period	Cash flows from operations (\$)									
FY18	(3,000,000)									
FY19	(9,500,000)									
YTD FY20	(9,500,000)									

Insolvency indicator	Present	Administrators' comments
		<p>We make the following comments in relation to cash flow difficulties from review of the Company books and records:</p> <ul style="list-style-type: none"> – The Group undertook the sale of core and non-core assets to generate sufficient cash flow required to pay off debts; – The Group was able to enter into payment arrangements with its largest creditors to assist with its cashflow; and – External advisors were engaged to assist with restructuring initiatives to generate surplus cash and reduce costs
Access to alternative sources of finance (including equity capital)	No	<p>In the period from June 2017 to FY20 YTD the Company was able to secure financing from various sources. This included non-bank lenders, asset based financiers, shareholder loans and related parties. The transactions during this period have been summarised below:</p> <ul style="list-style-type: none"> – 9 June 2017 – the company entered into a 3 year loan agreement with associate MRWP secured by a first ranking fixed and floating charge and mortgage over all of the Company's assets. MRWP secured \$30 million in financing from CBA, which on lent \$25 million to McWilliam's to repay Bain Capital in full. In exchange for the \$25 million, McWilliam's would grant a future option of 30% to MRWP to purchase McWilliam's, and MRWP would also have an option to purchase the Evans & Tate brand – 22 June 2017 – the Company entered into a 3 year receivables purchase agreement with Recfin Nominees Pty Limited ("AssetSecure"), secured by a second ranking fixed and floating charge over all the Company's assets. The maximum borrowing availability was \$12 million with the facility expiring in June 2020 – 10 December 2018 – the Group entered into a binding agreement with MRWP under which the Group sold 20% of its interest in MRWP to Laguna Bay Agricultural Fund for \$9.6 million. The Group also received funds of \$6.2 million from MRWP by way of subscription by MRWP for 7 year secured convertible notes in the Group. The funds received were used to repay debt and for working capital purposes. – In February 2019, 1,110,538 ordinary shares valued at \$466,000 were issued pursuant to the conversion of these loan notes – In June 2019 the Company renewed the receivables purchase agreement with Assetsecure maturing on 30 June 2021, with the maximum borrowing availability up to \$12 million – On 1 July 2019, 6,254,064 ordinary shares valued at \$2.6 million issued pursuant to the conversion of shareholder loan notes – 20 December 2019 – the Company sold its residual interest in MRWP to Valley Vino Pty Ltd (a related party and an associate vehicle of Laguna Bay) for \$5.5 million. As a consequence of the sale of shares in MRWP, MRWP as a secured creditor of the Company called in its loan of \$4.0 million. The debt was extinguished on 20 December 2019
Inability to dispose non-core assets	No	<p>In the period from FY18 to FY20 YTD the Company disposed of core and non-core assets in order to generate cash and pay off its debts. In total the Company sold \$53.0 million in assets during this period, which are summarised below:</p>

Insolvency indicator	Present	Administrators' comments																												
		<table><tr><th>Date</th><th>Sale of asset</th><th>Purchaser</th><th>Amount</th></tr><tr><td>Aug-17</td><td>Water entitlements</td><td>Multiple</td><td>\$2.6 million</td></tr><tr><td>12-Sep-17</td><td>Evans & Tate</td><td>MRWP</td><td>\$32.8 million</td></tr><tr><td>Apr-18</td><td>Water entitlements</td><td>Maxsons</td><td>\$1.0 million</td></tr><tr><td>30-Apr-18</td><td>Bottling line</td><td>San Miguel</td><td>\$1.5 million</td></tr><tr><td>10-Dec-18</td><td>MRWP – 20% interest</td><td>Laguna Bay</td><td>\$9.6 million</td></tr><tr><td>20-Dec-19</td><td>MRWP – 10% interest</td><td>Valley Vino</td><td>\$5.5 million</td></tr></table>	Date	Sale of asset	Purchaser	Amount	Aug-17	Water entitlements	Multiple	\$2.6 million	12-Sep-17	Evans & Tate	MRWP	\$32.8 million	Apr-18	Water entitlements	Maxsons	\$1.0 million	30-Apr-18	Bottling line	San Miguel	\$1.5 million	10-Dec-18	MRWP – 20% interest	Laguna Bay	\$9.6 million	20-Dec-19	MRWP – 10% interest	Valley Vino	\$5.5 million
Date	Sale of asset	Purchaser	Amount																											
Aug-17	Water entitlements	Multiple	\$2.6 million																											
12-Sep-17	Evans & Tate	MRWP	\$32.8 million																											
Apr-18	Water entitlements	Maxsons	\$1.0 million																											
30-Apr-18	Bottling line	San Miguel	\$1.5 million																											
10-Dec-18	MRWP – 20% interest	Laguna Bay	\$9.6 million																											
20-Dec-19	MRWP – 10% interest	Valley Vino	\$5.5 million																											
Dishonoured payments	No	A review of the Company's banking records did not identify any dishonoured payments for the period 1 July 2017 to 8 January 2020.																												
Overdue Commonwealth and State taxes	Yes	<p>On appointment the Company is estimated to have the following outstanding statutory liabilities:</p> <ul style="list-style-type: none">– ATO (BAS, customs and PAYG) - \$1.4 million for October and November 2019 BAS. The estimated BAS liability for December 2019 is \$1.7 million and January 2020 is \$95,514, albeit neither were yet due on our appointment– OSR (payroll tax) - \$76,184 <p>The outstanding statutory returns on appointment include:</p> <ul style="list-style-type: none">– BAS for December 2019 and January 2020– Income tax return for 30 June 2019– FBT return for 31 March 2019 <p>The Company has had a number of previous payment plans with the ATO since 2017. More recently it entered into the following payment plans with the ATO:</p> <ul style="list-style-type: none">– 28 July 2018 - \$1.0 million in equal monthly payments of \$95,000 from 15 August 2018 to 15 June 2019– 1 November 2018 - \$1.7 million in weekly payments from 2 November 2018 to 25 January 2019– 9 February 2019 - \$490,095 in two payments from 10 February 2019 to 15 February 2019– October 2019 - \$1.4 million with first payment on 25 November 2019– 19 December 2019 - \$815,073 in weekly payments from 20 December 2019 to 17 January 2020																												
No forbearance from creditors / legal action threatened or commenced by creditors	Yes	We are not aware of any legal action commenced by creditors. As noted above in the section on cash flow difficulties, the Group was in a number of payment arrangements with creditors.																												

8.4. Preliminary conclusion as to solvency

In light of the insolvency indicators discussed above, we are of the opinion that the Group may have been insolvent on or around 30 November 2019 due to the following:

- The Directors had reviewed a cash flow forecast at 29 November 2019 in which the Group was unable to pay its debts as and when they fell due. McGrath Nicol, who had been providing Safe Harbour advice to the Board, noted that on a cash flow test basis (the primary test of insolvency) it would suggest the Group was insolvent. In a Board meeting held on 4 December 2019, McGrath Nicol noted that the Board was contemplating a refinancing of its debtor financing facility (to release additional cash of at least \$3.3 million) and the sale of its minority interest in MRWP (to release \$5.5 million) in December 2019, which would likely return the Group to a position of solvency. The Group was unable to achieve both of these outcomes, with only the sale of MRWP occurring on 20 December 2019.

We estimate the loss to creditors to be up to approximately \$3.4 million.

However, notwithstanding the above, the Directors may have a number of defences available to them. See **section 8.5.2** below for more details.

We note the assessment of insolvency ought to have regard to all of the facts and circumstances that can be found to exist at a particular date, and no one item of proof in isolation is deemed to represent insolvency.

A liquidator, if appointed, would need to conduct further investigations, and possibly conduct a public examination of relevant parties, to ultimately determine whether or not the Company became insolvent at that time or earlier.

8.5. Potential liquidator recoveries – insolvent trading

8.5.1. Directors' liability

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found to have committed an offence under Section 588G, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its creditors.

The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, exposes a director to imprisonment for up to five years and/or a fine.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G are:

- A person must be a director of a company at a time when the company incurs a debt;
- The company must be insolvent at the time or becomes insolvent by incurring the debt; and
- The director must have reasonable grounds for suspecting that the company is insolvent or would become insolvent.

8.5.2. Directors' defences

8.5.2.1 Section 588H defences

The defences available to directors contained in Section 588H are:

- The directors had reasonable grounds at the time the debt was incurred to expect the company to be solvent and would remain solvent even after the debt was incurred;
- The directors relied on another competent and reliable person to provide information about whether or not the company was insolvent;
- The directors were ill or for some other good reason did not take part in the management of the company;
- The directors took reasonable steps to prevent the incurring of the debt.

8.5.2.2 Safe harbour defences

Section 588GA gives directors a safe harbour from the insolvent trading provisions contained in Section 588G whilst attempting to restructure or turnaround the business.

Safe harbour provisions apply if (and subject to certain conditions being met) after directors start to suspect the company is or may become insolvent, the directors start to develop “one or more courses of action that are reasonably likely to lead to a better outcome for the company.”

The period of safe harbour continues from the time at which directors start to develop the course of action and ends at the earliest of any of the following times:

- When directors fail to take steps to implement the proposed course of action within a reasonable period of development;
- When directors cease to take any such course of action;
- When the course of action ceases to be reasonably likely to lead to a better outcome for the company; or
- An administrator or liquidator is appointed to the company.

During the period of safe harbour, the following conditions must be met:

- The debt must be incurred directly or indirectly in connection with the proposed course of action. The debt can include ordinary trade debts incurred in the usual course of business or debts taken on for the specific purpose of effecting the plan (including debts incurred in connection with a restructure or loss-making trade), but will not include debts outside this purpose or incurred for an improper purpose;
- The company must continue to pay all employee entitlements (including superannuation) as and when they fall due; and
- The company must continue to comply with all tax reporting obligations.

Based on our preliminary investigations, we are of the view that the Directors may be able to rely on the safe harbour defence.

8.5.3. Pursuing an insolvent trading claim

Any decision to commence an action against the Director or former Directors for insolvent trading must have regard to the following:

- The costs of litigation and the uncertainty of success inherent in any complex litigation; and
- The Director's/former Director's capacity to meet a claim for compensation.

Our preliminary view is that the Group was insolvent on or around 30 November 2019.

We consider that an insolvent trading claim may be difficult in this instance as the Directors may have a number of defences available to them as discussed in **Section 8.5.2**.

In determining a course of action, a liquidator would consider the costs and risks of any proceedings and the ability to fund any proceedings, including whether creditors are prepared to forgo any scheduled dividends and/or the cost of litigation funding as an alternative.

The analysis of an insolvent trading claim is complex and would require a detailed calculation by a liquidator and legal advice. We estimate that an insolvent trading claim, if brought, could be based on the summary below:

Element of claim	\$
Employee entitlement claims	-
Unsecured creditor claims	3,447,052
Total estimated insolvent trading claim	\$3,447,052

8.6. Adequacy of books and records

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be retained for a period of seven years after the transactions covered by the records are completed.

The failure to maintain books and records in accordance with Section 286 provides a rebuttable presumption of insolvency which might be relied upon by a liquidator in an application for compensation for insolvent trading.

Based on our review of the books and records received, we are of the opinion that the Company's books and records were maintained in accordance with Section 286 of the Act.

8.7. Other matters arising from investigations

8.7.1. Falsification of books

Pursuant to Section 1307(1) of the Act, it is an offence for a person to engage in conduct that results in the concealment, destruction, mutilation or falsification of any securities of or belonging to the company or any books affecting or relating to affairs of the company.

If an offence is proven, there are criminal penalties only. However, similar or related conduct also could give rise to a contravention of Section 1307(2) of the Act and that contravention could give rise to a claim for damages. Further, conduct falling within either Section 1307(1) or Section 1307(2) may amount to breaches of directors' statutory and/or general law duties and/or provisions proscribing misleading conduct which could give rise to a recovery of funds.

The Administrators' preliminary investigations do not reveal any evidence of falsification of books.

8.7.2. False or misleading statements

Pursuant to Section 1308 of the Act, a company must not advertise or publish a misleading statement regarding the amount of its capital. It is an offence for a person to make or authorise a statement that, to the person's knowledge is false or misleading in a material particular.

The Administrators' preliminary investigations do not reveal any evidence of any false or misleading statements.

8.7.3. False information

Pursuant to Section 1309 of the Act, it is an offence for an officer or employee to make available or give information to a director, auditor, member, debenture holder, or trustee for debenture holders of the company that is to the knowledge of the officer or employee:

- False or misleading in a particular matter; or
- Has omitted from it a matter the omission of which renders the information misleading in a material respect.

The Administrators' preliminary investigations do not reveal any evidence of any false information.

9. Voidable transactions

This section informs creditors about potential voidable transactions that occurred prior to the appointment of the Administrators, and where the property of the Company was disposed of or dealt with, may be recovered by a liquidator.

Key takeaways

1	We have identified potential voidable transactions in the amount of \$1.7 million
2	A liquidator, if appointed will be able to perform further investigations into transactions that had the effect of conferring a benefit to the Director, former directors or a related entity of these individuals or the Group

A liquidator has the power to take steps to have declared void certain transactions which are either not beneficial, or are detrimental, to a company. An administrator must identify any transactions that appear to be voidable by a liquidator. Apart from seeking to have a voidable transaction declared void, a liquidator may seek related orders, including the payment of compensation.

Enclosed at **Annexure G** is a creditor information sheet published by ARITA. This information sheet details the types of transactions which a liquidator can seek to have declared void, which include:

- Unfair preference payments;
- Uncommercial transactions;
- Unfair loans;
- Unreasonable director-related transactions;
- Inappropriate related party transactions
- Creation of circulating security interests within 6 months of commencement of Administration; and
- Transactions for the purpose of defeating creditors

For the purposes of examining voidable transactions, the Liquidator would review transactions that occurred during the relevant time period (as prescribed under the Act), taking into consideration the “relation back day”. The relation back day for the Group is 8 January 2020 being the date the Directors resolved to appoint the Voluntary Administrators as determined by Section 91 of the Act.

9.1. Summary of potential antecedent transactions

Set out below is a summary of transactions that a liquidator would investigate further if the Group is placed into liquidation.

Potential recovery item	Value \$
Unfair preferences	1,669,286
Uncommercial transactions	Nil
Unfair loans	Nil
Unreasonable director-related transactions	Nil

9.2. Unfair preferences – section 588FA

An unfair preference payment is a transaction, generally occurring in the six months prior to the relation back day, between the company and a creditor, resulting in the creditor receiving from the company, in relation to an unsecured debt owed to the creditor, a greater amount than it would have received in relation to the debt in a winding up of the company. This period is extended up to four years for transactions entered into with a related entity.

A transaction can only be considered an unfair preference if the company was insolvent at the time the transaction took place, or the company became insolvent as a result of the transaction.

Payments totalling \$1,093,334 were made to the ATO by McWilliam's Wines Group in the period since 30 November 2019 which appear to potentially represent unfair preferences.

It would appear that the ATO had reasonable grounds for suspecting the Group was insolvent due to the following:

- We are aware of 8 separate payment plans with the ATO since 2017, with the Group in breach of at least one of these payment plans; and
- McWilliam's Wines Group entered into two payment arrangements with the ATO in the 6 month period prior to appointment, being October 2019 for \$1,441,174 and 19 December 2019 for \$815,073.

We have also identified potential payments to 14 suppliers/creditors totalling \$575,952 during the relation back period which may represent unfair preferences to suppliers. However a liquidator if appointed would need to conduct further investigations in relation to these payments.

Unfair preference payments are voidable against a liquidator, and further investigations will be undertaken in the liquidation to determine the likelihood of action for the recovery of unfair preference payments being successful. We note that successful action for unfair preference payments includes establishing the date of insolvency, and the costs of pursuing an unfair preference payment can sometimes outweigh the potential returns.

There are various defences under the Act that may be available to a party that may have received the benefit of a voidable transaction.

9.3. Uncommercial transactions – section 588FB

An uncommercial transaction is a transaction which a reasonable person in the place of the company would not have entered into, taking into account the benefits and the detriment to the company, the respective benefits to the other parties involved and any other related matters.

A liquidator must investigate transactions deemed to be uncommercial, in the period two years prior to the date of administration.

Based on the books and records in our possession we have not identified any transactions which would constitute uncommercial transactions.

9.4. Unfair loans – section 588FD

A liquidator will investigate any loans to the company which may be considered unfair due to extortionate interest rates or charges.

Based on the books and records in our possession we have not identified any transactions which would constitute unfair loans to the Company.

9.5. Unreasonable director-related transactions – section 588FDA

Section 588FDA of the Act refers to "unreasonable director-related transactions" and requires the liquidator to investigate such transactions, having regard to the detriment to the Company (if any) suffered as a consequence of the transaction.

The transaction must have been unreasonable, and entered into during the four years prior to the relation back day, regardless of the solvency at the time the transaction occurred. These can include remuneration, bonuses, loans, loan forgiveness and asset transfers to company officers with the four-year period ending on the relation-back date

Based on the books and records in our possession, we have not identified any transactions which would constitute unreasonable director-related transactions.

9.6. Voidable charges

A circulating security interest is voidable if the security interest was created during the six months ending on the relation back day, and the security interest was created to secure borrowings that were advanced prior to the creation of the security interest.

Based on books and records in our possession and information provided by secured parties, we have not identified any security interest which would constitute a voidable charge.

9.7. Arrangements to avoid employee entitlements

Part 5.8A of the Act aims to protect the entitlements of a company's employees from agreements that deliberately defeat the recovery of those entitlements upon insolvency.

Under Section 596AB(1) of the Act, it is an offence for a person to enter into a transaction or relevant agreement with the intention of, or with intentions that include:

- Preventing recovery of employee entitlements; or
- Significantly reducing the amount of employee entitlements recoverable.
- Based on the books and records in our possession, we have not identified any transactions which would constitute an arrangement to avoid employee entitlements.

9.8. Directors' ability to pay a liquidator's claims

There was a Directors and Officers liability and insurance policy held by the Group with AIG Australia Insurance Limited. The limit of indemnity is \$2 million and may be available to meet certain causes of action. We note this policy expired on 31 December 2019, with the Directors unable to secure new cover prior to the appointment of Administrators on 8 January 2020.

9.9. Reports to the ASIC

We have not identified any offences that require reporting to the ASIC pursuant to Section 438D of the Act.

10. Return to creditors

This section provides creditors with information on the estimated financial outcome and timing of payment in respect of debts subject to the administration

Key takeaway	
1	The estimated outcome presented incorporates many assumptions which are subject to change .
2	The tables below outline an estimated low and high return for various classes of creditors in a DOCA scenario compared to a liquidation of the Companies. The estimated outcome has been assessed on a pooled basis for the DOCA .

10.1. Estimated return to creditors

We summarise our estimated return to creditors on the various scenarios and note the below incorporates assumptions which are subject to change.

10.1.1. McWilliams's Wines Group and Mount Pleasant in a DOCA scenario

The table below outlines an estimated low and high return for each class of creditor in a DOCA scenario.

Estimated outcome statement - DOCA scenario (\$000s)		
Description	McWilliams Group	
	High	Low
DOCA fund contribution	30,000	30,000
Less: transferring employee entitlements	(728)	(1,056)
Completion Stock Value	20,200	16,000
Closing cash at execution of DOCA	4,030	3,780
Trading profit / (deficit) from execution of DOCA to completion of DOCA	(420)	(824)
Total fund contribution	53,082	47,900
Less: Employee entitlements	(479)	(479)
Less: Secured creditor	(2,601)	(2,601)
Less: Gallo payment	(1,247)	(1,247)
Less: Administrators fees and disbursements	(2,033)	(2,237)
Less: DOCA fees and disbursements	(606)	(1,157)
Less: Legal fees and Independent expert report	(561)	(617)
Less: Agent's Commission	(495)	(444)
Less: Trustee fees	(393)	(432)
Funds available to unsecured creditors	44,667	38,681
Unsecured creditor claims	(31,534)	(41,255)
Estimated surplus / (deficiency) to unsecured creditors	13,133	(2,574)
Interest distribution to unsecured creditors	(2,661)	-
Estimated surplus / (deficiency) to shareholders	10,472	(2,574)
Estimated dividend (cents in \$)		
Secured creditor	100	100
Priority creditors	100	100
Unsecured creditors	100	94

The above calculations are an estimate only and may change due to:

- The duration and final position of the Administrators' and Deed Administrators' trading which continues to be unpredictable given the current economic and COVID-19 challenges;
- Changes in the quantum of costs of the DOCA and Creditors' Trust as a result of any delays, including the satisfaction of the conditions precedent;

- The valuation of stock at completion of the DOCA which will be based on a stocktake and will be influenced by the level of trading in the meantime; and
- Final proving of creditor claims including contingent liabilities.

In the DOCA scenario we consider there will likely be a return to:

- The secured creditor of 100 cents in the dollar in a low and high scenario;
- Employees of 100 cents in the dollar in a low and high scenario;
- Unsecured creditors of between 94 and 100 cents in the dollar in a low and high scenario;
- Note that employee entitlements paid under the Trust Fund (rather than continuing entitlements transferring to the Deed Proponent) and unsecured creditors, will also receive a statutory interest payment of between zero and \$2.7 million in total in a low and high scenario if their priority and unsecured claims are paid in full; and
- Shareholders of between zero and \$10.5 million in a low and high scenario.

10.1.2. McWilliam's Wines Group and Mount Pleasant in a liquidation scenario

Estimated outcome statement - Liquidation scenario				
\$000	McWilliams Wines Group		Mount Pleasant	
Description	High	Low	High	Low
Non circulating assets available				
Plant and equipment	5,734	5,161	785	707
Land and buildings (including vineyards)	14,416	7,538	9,377	9,240
Intellectual Property	Unknown	2	Unknown	2
Less: PMSI claims	(968)	-	-	-
Total non-circulating assets	19,182	12,700	10,162	9,948
Less: Secured creditor	(1,301)	(1,301)	(1,301)	(1,301)
Less: Administrators fees and disbursements	(457)	(503)	(160)	(176)
Less: Liquidators fees and disbursements	(130)	(144)	(46)	(51)
Less: Legal fees	(59)	(65)	(20)	(22)
Less: Other professional costs	(933)	(758)	(239)	(227)
Funds available to unsecured creditors from non-circulating assets	16,303	9,930	8,398	8,173
Net realisations from non-circulating assets	16,303	9,930	8,398	8,173
Circulating assets available				
Cash at bank at appointment	2,085	2,085	-	-
Debtors net of rebates (pre-appointment)	11,092	10,789	-	-
Inventory (net of selling costs and WET)	11,588	8,023	-	-
Less: PMSI claims	(272)	(622)	-	-
Distribution from Mount Pleasant	8,287	8,050	-	-
Estimated trading surplus/ (deficit)	(756)	(2,464)	-	-
Total circulating assets	32,023	25,862	-	-
Less: Administrators fees and disbursements	(1,384)	(1,523)	(32)	(35)
Less: Liquidators fees and disbursements	(479)	(532)	(21)	(23)
Less: Legal fees	(176)	(194)	(59)	(65)
Net realisations from circulating assets	29,984	23,613	(111)	(122)
Less: Priority employee entitlements	(3,784)	(3,784)		
Funds available to unsecured creditors from circulating assets	26,200	19,829	(111)	(122)
Add: Liquidator recoveries	1,020	510	-	-
Less: Provision for direct legal and other costs of recovery actions	(500)	(250)	-	-
Liquidator's recoveries after direct costs	520	260	-	-
Estimated funds available to unsecured creditors	43,022	30,019	8,287	8,050
Unsecured creditor claims (including contingent claims)	(49,931)	(58,401)	-	-
Estimated surplus / (deficiency) to unsecured creditors	(6,909)	(28,382)	8,287	8,050
Estimated dividend (cents in \$)				
Secured creditor	100	100	100.0	100.0
Priority creditors	100	100	N/A	N/A
Unsecured creditors	86	52	N/A	N/A

The above calculations are an estimate only and may change due to:

- The duration and final position of the Administrators' and Liquidators' trading, in particular the realisation strategies implemented for stock where the business ceases to trade in a liquidation scenario;
- The ultimate value achieved from the sale of inventory and property, plant and equipment;
- Final proving of creditor claims including contingent liabilities;
- The success of any recovery actions pursued by the Liquidators; and
- The costs of litigation to recover any potential recovery actions that may be brought by the Liquidators.

McWilliam's Wines Group

In the liquidation scenario we consider there will likely be a return to:

- The secured creditor of 100 cents in the dollar in a low and high scenario;
- Employees of 100 cents in the dollar in a low and high scenario; and
- Unsecured creditors of between 52 and 86 cents in the dollar in a low and high scenario.

While we anticipate employees would be able to be repaid in full in a timely manner under a liquidation scenario, if the Group is placed into liquidation, employees may be eligible for payment of their outstanding employee entitlements (excluding unpaid superannuation) under FEG, a scheme operated by the Department of Employment.

Employees can obtain further information on the eligibility requirements of FEG at <https://docs.jobs.gov.au/documents/eligibility-feg-assistance-fact-sheet>.

Mount Pleasant

We believe the only creditor of Mount Pleasant may be the secured creditor who will be paid in full. The balance of funds will be distributed to McWilliam's Wines Group as the sole shareholder of Mount Pleasant.

10.2. Timing of dividend

DOCA

We would anticipate that dividends in a DOCA scenario would be paid to creditors by the end of December 2020.

Liquidation

We note that the secured creditor and priority employees would likely receive a distribution prior to the end of December 2020.

Timing of dividends to unsecured creditors would be dependent on the time taken to sell the Group's inventory, property, plant and equipment, and would likely take at least 6 to 12 months.

11. Statement by Administrators

Pursuant to IPR 75-225(3)(b), we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

- Administration to end;
- Company to execute a DOCA; or
- Company to be wound up.

Each of these options is considered below. In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

11.1. McWilliam's Wines Group

11.1.1. Administration to end

McWilliam's Wines Group is insolvent and unable to pay its debts as and when they fall due. Accordingly, returning control of the McWilliam's Wines Group to its Directors would be inappropriate and is not recommended.

11.1.2. DOCA

We are of the opinion that the DOCA proposal put forward by the Deed Proponent should be accepted by creditors as it provides, amongst other reasons:

- Ongoing employment for current staff;
- A greater return to all creditors and potentially shareholders;
- An ongoing trading partner for customers and suppliers; and
- The likelihood of a dividend being paid by the end of December 2020.

11.1.3. Winding up of the Company

As the DOCA proposal provides a greater return to creditors, it is our opinion that the McWilliam's Wines Group should not be placed into Liquidation.

A liquidator would be in a position to conduct detailed investigations into the conduct of directors and the financial affairs of the McWilliam's Wines Group. A liquidator will also be empowered to:

- Complete the sale of assets in an orderly manner.
- Assist employees in applying for FEG for the payment of certain employee entitlements that cannot otherwise be funded by the Group (which we don't consider to be the case).
- Pursue various potential recoveries under the Act.
- Report to the ASIC on the results of investigations into McWilliam's Wines Group's affairs.

We note that recoveries available to a Liquidator (if any) are uncertain, require additional funding to pursue and are ultimately unlikely to provide a greater return to creditors compared to the DOCA proposal.

11.2. Mount Pleasant

11.2.1. Administration to end

Mount Pleasant is cashflow insolvent and unable to pay its debts as and when they fall due. Accordingly, returning control of the Company to its Directors would be inappropriate and is not recommended.

11.2.2. DOCA

We are of the opinion that the DOCA proposal put forward by the Deed Proponent should be accepted by creditors as it provides:

- A greater return to all creditors;
- An ongoing tenant for the properties owned by Mount Pleasant; and
- The likelihood of a dividend being paid by the end of December 2020.

11.2.3. Winding up of Mount Pleasant

As the DOCA proposal provides a greater return to creditors, it is our opinion that Mount Pleasant should not be placed into Liquidation.

We have not identified any recoveries that would be available to a liquidator so there is no advantage to liquidating the company compared to the DOCA proposal. Therefore the DOCA proposal provides a better outcome in terms of the company continuing to exist, being an objective of the voluntary administration process.

11.2.4. Further information and enquiries

The ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at www.asic.gov.au.

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration.

Should you have any enquiries, please contact Irene Tang on (02) 9273 5594 or by email at mcwilliams@kpmg.com.au.

Dated this 15th day of July 2020



Gayle Dickerson, Tim Mablesen and Ryan Eagle

Joint and Several Voluntary Administrators

McWilliam's Wines Group Ltd (Administrators Appointed)

Mount Pleasant Wines Pty Ltd (Administrators Appointed)

Annexures

A – Company Information

Statutory details for the Company extracted from ASIC's national database at the time of our appointment are summarised below.

McWilliam's Wines Group

Entity	ACN	Incorporation Date	Registered address / principal place of business
McWilliam's Wines Group Ltd	000 024 108	22/06/1931	Level 1, 55 Murray Street Pyrmont NSW 2009

Source: ASIC

McWilliam's Wines Group officers over the past 3 years were:

Name	Role	Appointment date	Resignation date
James Brayne	Director	28/09/2004	N/A
Lisa Ashton	Director	25/01/2019	N/A
Jeffrey McWilliam	Director	31/12/2019	N/A
Erin McMullen	Company Secretary	31/12/2019	N/A
		28/09/2019	09/05/2019
Karen McWilliam	Director	26/09/2018	24/12/2019
Peter Fogarty	Director	25/01/2019	13/12/2019
Timothy McWilliam	Director	30/11/2017	25/01/2019
Jeffrey McWilliam	Director	28/11/2011	25/01/2019
Andrew McWilliam	Director	13/10/2010	22/01/2019
Scott McWilliam	Director	18/09/2017	10/01/2019
David McWilliam	Director	18/09/2017	07/12/2018
		21/06/2018	24/09/2018
Greg McWilliam	Director	28/11/2011	18/09/2017
		07/10/2015	04/08/2017
David McWilliam	Director	07/10/2015	04/08/2017
Scott McWilliam	Director	07/10/2015	04/08/2017
Jessica Jay	Company Secretary	09/05/2019	31/12/2019
Mark Wilson	Company Secretary	23/05/2014	28/09/2018

Source: ASIC and Annual Report

Mount Pleasant

Entity	ACN	Incorporation Date	Registered address / principal place of business
Mount Pleasant Wines Pty Ltd	000 024 813	03/02/1932	Level 1, 55 Murray Street Pyrmont NSW 2009

Source: ASIC

Name	Role	Appointment date	Resignation date
Jeffrey McWilliam	Director	26/11/2013	N/A
Erin McMullen	Company Secretary	31/12/2019	N/A
Karen McWilliam	Director	7/12/2018	24/12/2019
David McWilliam	Director	18/9/2017	7/12/2018
		26/5/2017	4/8/2017

Source: ASIC

B – Receipts & Payments

Receipts and payments from 8 January 2020 to 30 June 2020	Total (incl GST)
Receipts	
Cash at bank	2,084,763.54
Gordon Brothers Loan Facility	6,500,000.00
Sales Income	23,838,155.65
Other income	29,824.50
Accounts Receivable (Pre-Appointment)	10,789,091.46
Foreign Currency Gain (Loss)	73,344.59
Funds held on trust	25,078.48
Fuel tax credits	10,513.00
Total receipts	43,350,771.22
Payments	
Advertising	(117,178.88)
Advertising - Sale of business/recapitalisation	(2,590.20)
Agent's Fees	(156,010.75)
Appointee Fees	(1,171,135.90)
Appointee Disbursements	(50,279.09)
Bank Charges	(9,022.33)
Customs Duty	(189,881.80)
Employee Reimbursements	(68,460.65)
Freight	(1,653,068.70)
Fuel & Oil	(132,399.56)
GST Paid	(216,349.00)
Gordon Brothers Repayments	(4,000,000.00)
Gordon Brothers Fees and Interest	(421,889.81)
Hire & Leasing	(636,041.42)
Insurance	(554,191.20)
Legal Fees	(478,440.29)
Materials `	(8,164,774.48)
Motor Vehicle Expenses	(11,884.52)
Payroll Tax	(279,839.57)
Priority Creditors: Claims	(153,460.77)
Rebates	(76,580.19)
Receiver & Manager Expenses	(65,021.53)
Receiver & Manager Fees	(41,800.00)

Rent & Rates	(662,427.62)
Repairs & Maintenance	(270,423.42)
Sales Commission	(118,503.87)
Secured Creditor – MRWP	(6,285,835.32)
Secured Creditor – AssetSecure	(1,263,873.32)
Software Expenses	(311,869.79)
Subcontractors	(676,317.52)
Sundry Expenses	(236,821.12)
Super Paid	(325,813.95)
Telephone & Fax	(67,562.80)
Utilities	(516,400.53)
Wages and salaries (incl. PAYG)	(5,332,936.08)
Waste & Cleaning Expenses	(70,212.09)
Wine Equalisation Tax	(1,692,546.00)
Total payments	(36,481,844.07)
Cash at bank at 30 June 2020	6,868,927.15

C – Notice of meeting of creditors

Notice of meeting of creditors

Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225

McWilliam's Wines Group Ltd ACN 000 024 108
Mount Pleasant Wines Pty Ltd ACN 000 024 813
(Both Administrators Appointed) ("the Group")

NOTICE is given that a meeting of creditors of the Group will be held on 24 July 2020 at 11:00AM (AEST). Please note, in line with the Government's safe distancing measures put in place in response to the current COVID-19 pandemic, this meeting will be held via teleconference facilities. Please do not attend at KPMG's offices.

Agenda

1. To consider a statement by the Directors about the Group's business, property, affairs and financial circumstances.
2. To consider the report of the Administrators including the circumstances leading to the appointment of the Administrators to the Group, details of the proposed Deed of Company Arrangement and the various options available to creditors.
3. To fix the remuneration and internal disbursements of the Administrators.
4. To resolve that:
 - a) The Group execute a Deed of Company Arrangement; or
 - b) The Administration should end; or
 - c) The Group be wound up.
5. If it is resolved that the Group execute a Deed of Company Arrangement, to fix the remuneration and internal disbursements of the Deed Administrators.
6. If it is resolved that the Group execute a Deed of Company Arrangement, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
7. If it is resolved that the Group be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
8. If it is resolved that the Group be wound up to fix the remuneration and internal disbursements of the Liquidators.
9. If it is resolved that the Group be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
10. If it is resolved that the Group be wound up, consider whether, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Group and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of the Group or earlier at the discretion of ASIC.
11. Any other business that may be lawfully brought forward.

For a person to be eligible to attend and vote at the meeting on your behalf, a Form 532, Appointment of Proxy, is to be completed and submitted by no later than 1:00 PM (AEST) on 23 July 2020, to:

McWilliam's Wines Group Ltd (Administrators Appointed)
c/- KPMG
Tel: +61 2 9273 5594
Email: mckilliams@kpmg.com.au

Note:

A company may only be represented by proxy or by an attorney appointed pursuant to IPR Sections 75-25 and 75-150 or, by a representative appointed under Section 250D of the Act.

Voting on resolutions to be considered during the meeting will be conducted by a poll. Please note that due to the numbers that may be attending the meeting, to facilitate the recording of attendees and voting, we request all creditors consider submitting a Special Proxy Form no later than 1:00PM (AEST) on 23 July 2020 setting out how you intend to vote on the resolutions to be considered at the meeting.

You must also lodge a POD setting out the particulars of the claim to be eligible to vote. If you have previously lodged a POD with the Administrators, you are not required to lodge a further POD form.

Once you have submitted your POD and Proxy form (if applicable), you will be provided with the teleconference login details. Please contact KPMG on (02) 9273 5594 or via email at mcwilliams@kpmg.com.au if there are any queries.

In the event that you do not have access to technology to enable you to join the teleconference, please contact KPMG on (02) 9273 5594 or via email at mcwilliams@kpmg.com.au at least one business day prior to the meeting and we will attempt to make alternative arrangements for you.

Dated this 15th day of July 2020



Gayle Dickerson
Administrator

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
3. A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
4. A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
6. A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

D – Appointment of proxy

Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return to no later than 1:00PM (AEST) 23 July 2020 to:

KPMG

Tel: +61 2 9273 5594

Email: mcwilliams@kpmg.com.au

Indebted Company: McWilliam's Wines Group Ltd (Administrators Appointed) ACN 000 024 108

Date of Appointment: 8/01/2020

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(address)

³ Tel:

⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint

²

(name of person appointed as proxy)

³

⁴ or in his / her absence

(address of person appointed as proxy)

⁵

(name of person appointed as alternate proxy)

⁶

⁷ as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on **24 July 2020 at 11:00AM (AEST)** via teleconference facilities, or at any adjournment of that meeting in accordance with the instructions in Section C below.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our :

☐

² **general proxy**, to vote on *my / *our behalf **and / or**

☐

³ **special proxy**, to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
1 Administrators' Remuneration			
"That the remuneration of the Administrators of McWilliam's Wines Group Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 29 February 2020 to 30 June 2020 be fixed in the amount of \$1,268,505.35 plus any applicable GST, and may be paid."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Administrators' Remuneration			
"That the remuneration of the Administrators of McWilliam's Wines Group Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 1 July 2020 to 24 July 2020 be fixed up to a maximum amount of \$323,400.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
3 Administrators' Remuneration			
"That the remuneration of the Administrators of McWilliam's Wines Group Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 25 July 2020 to Execution of the DOCA be fixed up to a maximum amount of \$248,400.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Administrators' Disbursements			
"That the internal disbursements of the Administrators of McWilliam's Wines Group Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 29 February 2020 to Execution of the DOCA be fixed up to a maximum amount of \$19,156.62 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Deed of Company Arrangement			
That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting) and Gayle Dickerson, Tim Mablesen and Ryan Eagle be appointed as Joint and Several Deed Administrators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Administration should end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
That the Administration should end.			
11 Appointment of Liquidators			
That the Company be wound up and Gayle Dickerson, Tim Mablesen and Ryan Eagle be appointed as Joint and Several Liquidators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Deed Administrators' Remuneration (if applicable)			
"That the remuneration of the Deed Administrators of McWilliam's Wines Group Ltd (Subject to DOCA) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$896,319.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Deed Administrators' Disbursements (if applicable)			
"That the internal disbursements of the Deed Administrators of McWilliam's Wines Group Ltd (Subject to DOCA) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$1,807.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Committee of Inspection (if applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
If it is resolved that the Company execute a DOCA, that a Committee of Inspection be appointed, the members of which are to be determined by the meeting.			
20 Liquidators' Remuneration (if applicable)			
"That the remuneration of the Liquidators of McWilliam's Wines Group Ltd (In Liquidation) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$678,312.50 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Liquidators' Disbursements (if applicable)			
"That the internal disbursements of the Liquidators of McWilliam's Wines Group Ltd (In Liquidation) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$6,700.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24 Committee of Inspection (if applicable)			
If it is resolved that the Company is wound up, that a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25 Early destruction of books and records (if applicable)			
If it is resolved that the Company is wound up, that, subject to obtaining the approval of the Australian Securities & Investments Commission (ASIC) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Form 532 - Appointment of Proxy
Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return to no later than 1:00PM (AEST) 23 July 2020 to:
KPMG
Tel: +61 2 9273 5594
Email: mcwilliams@kpmg.com.au

Indebted Company: Mount Pleasant Wines Pty Ltd (Administrators Appointed) ACN 000 024 813
Date of Appointment: 8/01/2020

A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

¹
(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)
² of
(address)
³ Tel: ⁴ Email:

B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

¹ I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint
²
(name of person appointed as proxy)
³ ⁴ or in his / her absence
(address of person appointed as proxy)
⁵
(name of person appointed as alternate proxy)
⁶ ⁷ as *my / *our proxy
(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on **24 July 2020 at 11:00AM (AEST)** via teleconference facilities, or at any adjournment of that meeting in accordance with the instructions in Section C below.

C. Voting Instructions

¹ *My / *Our proxy, as named in Section B above, is entitled to act as *my / *our:

- ☐ ² **general proxy**, to vote on *my / *our behalf **and / or**
☐ ³ **special proxy**, to vote on *my / *our behalf specifically as follows:

Resolution	For	Against	Abstain
5 Administrators' Remuneration			
"That the remuneration of the Administrators of Mount Pleasant Wines Pty Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 8 January 2020 to 30 June 2020 be fixed in the amount of \$143,066.65 plus any applicable GST, and may be paid."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Administrators' Remuneration			
"That the remuneration of the Administrators of Mount Pleasant Wines Pty Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 1 July 2020 to 24 July 2020 be fixed up to a maximum amount of \$26,600.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
7 Administrators' Remuneration			
"That the remuneration of the Administrators of Mount Pleasant Wines Pty Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 25 July 2020 to Execution of the DOCA be fixed up to a maximum amount of \$23,300.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Administrators' Disbursements			
"That the internal disbursements of the Administrators of Mount Pleasant Wines Pty Ltd (Administrators Appointed) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 8 January 2020 to Execution of the DOCA be fixed up to a maximum amount of \$1,671.08 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Deed of Company Arrangement			
That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed (if any) details of which accompanied the notice of meeting) and Gayle Dickerson, Tim Mableson and Ryan Eagle be appointed as Joint and Several Deed Administrators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Administration should end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
That the Administration should end.			
14 Appointment of Liquidators			
That the Company be wound up and Gayle Dickerson, Tim Mableson and Ryan Eagle be appointed as Joint and Several Liquidators.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Deed Administrators' Remuneration (if applicable)			
"That the remuneration of the Deed Administrators of Mount Pleasant Wines Pty Ltd (Subject to DOCA) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$53,681.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Deed Administrators' Disbursements (if applicable)			
"That the internal disbursements of the Deed Administrators of Mount Pleasant Wines Pty Ltd (Subject to DOCA) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$1,507.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22 Liquidators' Remuneration (if applicable)			
"That the remuneration of the Liquidators of Mount Pleasant Wines Pty Ltd (In Liquidation) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
Liquidation be fixed up to a maximum amount of \$71,687.50 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."			
23 Liquidators' Disbursements (if applicable)			
"That the internal disbursements of the Liquidators of Mount Pleasant Wines Pty Ltd (In Liquidation) , as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$2,100.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26 Early destruction of books and records (if applicable)			
If it is resolved that the Company is wound up, that, subject to obtaining the approval of the Australian Securities & Investments Commission (ASIC) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

¹ Dated:

² Signature:

³ Name / Capacity:

Creditor Assistance Sheet: Completing a Proxy Form

Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out ‘*eligible employee creditor’, ‘*contributory’, ‘*debenture holder’ and ‘*member’.
2. Insert the name of the person who will be exercising the creditor’s vote at the meeting. If someone is attending the meeting in person, that person’s name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words ‘the Chairperson’ here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected ‘the Chairperson’ because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting ‘the Chairperson’.
6. Insert the address of the second person here. If you have elected ‘the Chairperson’, leave this row blank.
7. Cross out any wording that is not applicable.

Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an ‘X’ in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the ‘Resolution’ table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an ‘X’ in the special proxy box and select ‘For’, ‘Against’ or ‘Abstain’ on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected ‘For’, ‘Against’ or ‘Abstain’.
3. Insert an ‘X’ in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select ‘For’, ‘Against’ or ‘Abstain’ for each of the resolutions in the ‘Resolution’ table. Do not tick more than one box for each resolution.

Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a company, then a duly authorised officer of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
 - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

E – Proof of debt

Form 535 Formal Proof of Debt or Claim Form

Corporations Act 2001, Regulation 5.6.49(2)

Return to:

KPMG

Tel: +61 2 9273 5594

Email: mcwilliams@kpmg.com.au

Indebted Company: Please tick relevant company box below

Date of Appointment: 8/01/2020

☐ McWilliam's Wines Group Ltd (Administrators Appointed) ACN 000 024 108

☐ Mount Pleasant Wines Pty Ltd (Administrators Appointed) ACN 000 024 813

A. Name and Contact Details of Creditor

¹

(the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

² of

(insert address)

³ Tel:

⁴ Email:

☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

B. Details of Debt or Claim

¹ Amount owing:

(insert dollars and cents, inclusive of GST if applicable)

² Nature of Debt or Claim:

(insert description of debt and/or reference any supporting documentation)

³ Select one of the following options:

☐

The Creditor is an unsecured creditor of the indebted Company

☐

The Creditor is a secured creditor of the indebted Company

☐

The Creditor is an employee / former employee of the indebted Company

☐

The Creditor is a related party (please indicate: secured / unsecured)

For all claims:

☐

⁴ I have attached supporting documentation to substantiate the Creditor's claim (secured creditors must attach evidence of security)

☐

⁵ To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following:

(insert details and value of security where relevant)

C. Signature

¹ Dated:

² Signature:

³ Name / Capacity

Creditor Assistance Sheet: Completing a Proof of Debt Form

Section A – Name and Contact Details of Creditor

1. Insert the full name of the employee, individual, sole trader, partnership or Group that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or Group that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or Group that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or Group that the debt is owed to.

Section B – Details of Debt or Claim

1. The amount owing should only include debts or claims which arose prior to the date of appointment.
2. Insert the currency if not Australian dollars.
3. Type of creditor: tick one of the options only.
4. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
5. For secured creditors, insert particulars of all securities held. If the securities are on the property of the Group, assess the value of those securities. If any bills or other negotiable securities are held, indicate "refer attached" above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

Section C – Signature Instructions

1. Insert the date that the proof of debt form is being signed.
2. The form should be signed by **one** of the following persons:
 - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
 - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
 - If the debt is owed to a partnership, then one of the partners of the partnership; or
 - If the debt is owed to a Group, then a duly authorised office of the Group (normally a director or secretary of the Group).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
 - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
 - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
 - If the debt is owed to a Group, note their capacity as director or secretary, eg: "[Full name], director/secretary of the Group named in Section A above"]

F – Remuneration approval request

*Schedule 2 to the Corporations Act 2001, Section 70-50
Insolvency Practice Rules (Corporations) 2016, Section 70-45*

**McWilliam's Wines Group Ltd ACN 000 024 108 (McWilliam's Wines Group/MWG)
Mount Pleasant Wines Pty Ltd ACN 000 024 813 (Mount Pleasant/MTP)**

(Both Administrators appointed))

Remuneration Approval Request

This report contains the following information:

- Part 1: Declaration
- Part 2: Executive summary
- Part 3: Remuneration
- Part 4: Disbursements
- Part 5: Report on progress of the administration
- Part 6: Summary of receipts and payments
- Part 7: Questions
- Part 8: Approval of remuneration and internal disbursements
- Schedule A - Resolution 1 details
- Schedule B - Resolution 5 details
- Schedule C – Resolution 2 details
- Schedule D – Resolution 6 details
- Schedule E – Resolution 3 details
- Schedule F – Resolution 7 details
- Schedule G – Resolution 15 details
- Schedule H – Resolution 17 details
- Schedule I – Resolution 20 details
- Schedule J – Resolution 22 details

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the meeting of creditors on 24 July 2020.
- Refer to section 2.8 of the Voluntary Administrator's Report dated 15 July 2020 for details as to how you can attend the meeting of creditors in person or by proxy to vote on the resolutions contained in this report.

1. Declaration

We, Gayle Dickerson, Tim Mableson and Ryan Eagle of KPMG, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Group 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.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administrations.

2. Executive summary

2.1. Summary of remuneration approval sought for the Group

To date, remuneration totaling \$1,064,669.00 plus any applicable GST has been approved and paid in the administration of McWilliam's Wines Group. To date, no remuneration has been approved and paid in the administration of Mount Pleasant

This report details approval sought for the following remuneration for McWilliam's Wines Group:

Period	Amount (\$ ex GST)
Past remuneration approved by Committee of Inspection:	
Voluntary administration	
McWilliam's Wines Group - 8 January 2020 to 28 February 2020	1,064,669.00
Total past remuneration approved	1,064,669.00
Current remuneration approval sought:	
Voluntary administration	
McWilliam's Wines Group <i>Resolution 1:</i> 28 February 2020 to 30 June 2020	1,268,505.35
McWilliam's Wines Group <i>Resolution 2:</i> 1 July 2020 to 24 July 2020*	323,400.00
McWilliam's Wines Group <i>Resolution 3:</i> 25 July 2020 to Execution of the DOCA*	248,400.00
Mount Pleasant <i>Resolution 5:</i> 8 January 2020 to 30 June 2020	143,066.65
Mount Pleasant <i>Resolution 6:</i> 1 July 2020 to 24 July 2020*	26,600.00
Mount Pleasant <i>Resolution 7:</i> 25 July 2020 to Execution of the DOCA	23,300.00
Total approval sought – voluntary administration*	2,033,272.00
Deed of company arrangement (DOCA) (if applicable)	
McWilliam's Wines Group <i>Resolution 15:</i> Execution of the DOCA to Completion of the DOCA*	896,319.00
Mount Pleasant <i>Resolution 17:</i> Execution of the DOCA to completion of the DOCA*	53,681.00
Total approval sought – deed of company arrangement (if applicable)*	950,000.00
Liquidation (if applicable)	
McWilliam's Wines Group	678,312.50

Period	Amount (\$ ex GST)
<i>Resolution 20: Commencement of the Liquidation to Completion of the Liquidation *</i>	
Mount Pleasant	71,687.50
<i>Resolution 22: Commencement of the Liquidation to Completion of the Liquidation *</i>	
Total approval sought – liquidation (if applicable)*	750,000.00
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the liquidation. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.	

Please refer to Part 3 for full details of the calculation and composition of the remuneration approval being sought.

2.2. Summary of internal disbursements approval sought for the Group

To date, internal disbursements totalling \$5,919.96 plus any applicable GST has been approved and paid in the administration of McWilliam's Wines Group. To date, no internal disbursements has been approved and paid in the administration of Mount Pleasant

This report details approval sought for the following internal disbursements:

Period	Amount (\$ ex GST)
Past internal disbursements approved:	
McWilliam's Wines Group - 8 January 2020 to 28 February 2020	5,919.96
Total past internal disbursements approved	5,919.96
Current internal disbursements approval sought:	
Voluntary Administration	
McWilliam's Wines Group	19,156.62
Resolution 4: 29 February 2020 to Execution of the DOCA*	
Mount Pleasant Wines	1,671.08
Resolution 8: 8 January 2020 to Execution of the DOCA*	
Total current internal disbursement approval sought – voluntary administration*	20,827.70
Deed of company arrangement (DOCA) (if applicable)	
McWilliam's Wines Group	1,807.00
Resolution 16: Execution of the DOCA to Completion of the DOCA*	
Mount Pleasant	1,507.00
Resolution 18: Execution of the DOCA to Completion of the DOCA *	
Total current internal disbursement approval sought – DOCA*	3,314.00
Liquidation (if applicable)	
McWilliam's Wines Group	6,700.00
Resolution 21: Commencement of the Liquidation to Completion of the Liquidation*	
Mount Pleasant	2,100.00
Resolution 23: Commencement of the Liquidation to Completion of the Liquidation *	
Total current internal disbursement approval sought – liquidation*	8,800.00

Period	Amount (\$ ex GST)
--------	-----------------------

* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to the completion of the external administrations. Should additional internal disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.

Please refer to Part 4 for full details of the calculation and composition of the internal disbursements approval being sought.

2.3. Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

The remuneration approval sought differs to the revised estimate of costs provided to the Committee of Inspection in our remuneration approval request dated 31 March 2020 due to the complex nature of the Administrations which has resulted in the Administrators' time being more than anticipated to address certain matters, including:

- Work undertaken with respect to making a decision regarding Vintage 2020 in particular the matrix of supply from each grower to ensure supply to support the Group's product portfolio strategy and to analyse the cash flow impacts of the various decisions contemplated with respect to proceeding with Vintage 2020;
- Work undertaken (including meetings at Hanwood) with growers and other suppliers regarding Vintage 2020 operations;
- Time spent liaising with critical and key suppliers with pre-appointment debts and minimising the Group's potential exposure to ransom payments in the administration which we successfully achieved;
- More onerous input into trading than anticipated including facilitating ongoing exclusive distribution of Taittinger and arranging the orderly exit of Sogrape Vinhos – Mateus and Henkell;
- Detailed review of the Group's product/brand rationalisation strategy, implementing same with senior management including identifying and selling slow moving and obsolete inventory;
- Media and stakeholder management, which has been greater than originally anticipated;
- Appointment of Receiver and Manager and extinguishing of Margaret River Wine Production Pty Ltd's secured debt (including the refinancing proposal with Gordon Brothers);
- Managing the effects of COVID-19 on operations and working with senior management to implement changes to operations in line with Government directives for the wellbeing of the workforce
- Managing the easing of COVID-19 restrictions and working with senior management to discuss returning to normal operations ;
- Significant volume of enquiries received and subsequent communications with interested parties in relation to the sale campaign particularly prior to the formal engagement of Colliers;
- Time spent for the recapitalisation or sale process including reviewing NBIOs and liaising with the initial preferred party including advancing potential sale negotiations and drafting of sale contract and the subsequent re-opening of the recapitalisation or sale process; and
- Protracted negotiations with the DOCA proponent and their legal advisors regarding the DOCA Deed and Creditors' Trust Deed.

3. Remuneration

3.1. Remuneration claim resolutions

We will be seeking approval of the following resolutions with respect to remuneration. Details to support these resolutions are included in Part 3.2.

Voluntary Administration

Resolution 1:

"That the remuneration of the Administrators of **McWilliam's Wines Group Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 29 February 2020 to 30 June 2020 be fixed in the amount of \$1,268,505.35 plus any applicable GST, and may be paid."

Resolution 5:

"That the remuneration of the Administrators of **Mount Pleasant Wines Pty Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 8 January 2020 to 30 June 2020 be fixed in the amount of \$143,066.65 plus any applicable GST, and may be paid."

Resolution 2:

"That the remuneration of the Administrators of **McWilliam's Wines Group Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 1 July 2020 to 24 July 2020 be fixed up to a maximum amount of \$323,400.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 6:

"That the remuneration of the Administrators of **Mount Pleasant Wines Pty Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 1 July 2020 to 24 July 2020 be fixed up to a maximum amount of \$26,600.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 3:

"That the remuneration of the Administrators of **McWilliam's Wines Group Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 25 July 2020 to Execution of the DOCA be fixed up to a maximum amount of \$248,400.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 7:

"That the remuneration of the Administrators of **Mount Pleasant Wines Pty Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 25 July 2020 to Execution of the DOCA be fixed up to a maximum amount of \$23,300.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Deed of Company Arrangement

Resolution 15:

"That the remuneration of the Deed Administrators of **McWilliam's Wines Group Ltd (Subject to DOCA)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$896,319.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 17:

"That the remuneration of the Deed Administrators of **Mount Pleasant Wines Pty Ltd (Subject to DOCA)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$53,681.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Liquidation

Resolution 20:

"That the remuneration of the Liquidators of **McWilliam's Wines Group Ltd (In Liquidation)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$678,312.50 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Resolution 22:

"That the remuneration of the Liquidators of **Mount Pleasant Wines Pty Ltd (In Liquidation)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$71,687.50 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."

3.2. Details of remuneration

The basis of calculating the remuneration claims are set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

3.2.1. Resolution 1: 29 February 2020 to 30 June 2020

The below table sets out time charged to each major task area performed by the Administrators and their staff for **McWilliam's Wines Group Ltd (Administrators Appointed)** for the period 29 February 2020 to 30 June 2020, which is the basis of the Resolution 1 claim. Please refer to Schedule A for further details with respect to the tasks performed.

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area											
					Assets		Creditors		Employees		Trade On		Investigation		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Gayle Dickerson	Partner	695.00	132.0	91,767.42	56.6	39,340.07	26.0	18,076.97	2.0	1,390.00	44.1	30,649.50	2.9	1,980.75	0.5	330.13
Tim Mablesen	Partner	695.00	271.6	188,762.73	159.3	110,713.30	26.1	18,123.05	29.0	20,155.00	52.0	36,140.00	0.2	132.05	5.0	3,499.33
Ryan Eagle	Partner	695.00	5.4	3,724.40	2.5	1,743.65	-	-	-	-	-	-	-	-	2.9	1,980.75
Simon Thorp	Partner	695.00	1.2	842.96	0.7	512.84	-	-	-	-	-	-	0.5	330.13	-	-
John Hart	Consultant	625.00	3.3	2,075.34	3.3	2,075.34	-	-	-	-	-	-	-	-	-	-
Brendan Arundell	Director	625.00	2.2	1,383.56	2.2	1,383.56	-	-	-	-	-	-	-	-	-	-
John Marsden	Director	625.00	7.1	4,409.57	0.1	62.50	3.8	2,387.70	-	-	-	-	-	-	3.1	1,959.38
John Locke	Director	625.00	3.2	1,983.10	3.2	1,983.10	-	-	-	-	-	-	-	-	-	-
Tim Hoskin	Associate Director	575.00	64.5	37,061.02	2.2	1,272.87	23.3	13,412.02	-	-	27.8	15,985.00	9.8	5,626.38	1.3	764.75
Michael Hatsaturis	Associate Director	575.00	82.3	47,305.25	-	-	12.1	6,937.38	-	-	-	-	69.7	40,094.75	0.5	273.13
Leon Zheng	Associate Director	575.00	3.3	1,909.31	-	-	3.3	1,909.31	-	-	-	-	-	-	-	-
George Choimes	Manager	525.00	542.7	284,929.99	84.7	44,475.09	64.6	33,938.28	14.6	7,665.00	378.1	198,502.50	-	-	0.7	349.13
Charlie Griffiths	Manager	525.00	259.9	136,453.94	232.2	121,896.24	7.2	3,784.70	-	-	-	-	20.1	10,573.50	0.4	199.50
Michael Petkovic	Manager	525.00	4.8	2,543.63	-	-	-	-	-	-	-	-	4.8	2,543.63	-	-
Douglas Moore	Manager	525.00	8.8	4,640.31	2.7	1,424.69	-	-	2.0	1,050.00	2.7	1,417.50	-	-	1.4	748.13
Astra Delaguiado	Executive	450.00	27.1	12,183.75	-	-	4.3	1,923.75	-	-	-	-	-	-	22.8	10,260.00
Candice Ferreira	Executive	450.00	13.1	5,900.47	0.3	135.00	8.9	4,012.72	-	-	-	-	-	-	3.9	1,752.75
Luke Meany	Executive	450.00	153.5	69,079.24	15.5	6,975.31	91.4	41,113.68	1.5	675.00	13.7	6,165.00	29.5	13,295.25	1.9	855.00
Irene Tang	Executive	450.00	463.9	208,745.24	3.3	1,465.39	84.2	37,895.34	42.9	19,305.00	318.5	143,325.00	1.0	470.25	14.0	6,284.25
Kieran Witt	Executive	450.00	8.7	3,915.00	-	-	-	-	1.5	675.00	7.2	3,240.00	-	-	-	-

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area											
					Assets		Creditors		Employees		Trade On		Investigation		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	Hrs	Hrs	\$	Hrs	\$
Nick Tideman	Analyst	375.00	408.7	153,261.73	10.6	3,964.86	12.6	4,738.13	-	-	368.2	138,075.00	-	-	17.3	6,483.75
George Bundock	Analyst	375.00	15.0	5,627.39	-	-	11.8	4,429.26	1.2	450.00	-	-	-	-	2.0	748.13
Total (excluding GST)			2,482.3	1,268,505.35	579.4	339,423.82	379.7	192,682.29	94.7	51,365.00	1,212.3	573,499.50	138.6	75,046.68	77.6	36,488.08
GST				126,850.54												
Total (including GST)				1,395,355.89												
Average Hourly Rate				511.02												

3.2.2. Resolution 5: 8 January 2020 to 30 June 2020

The below table sets out time charged to each major task area performed by the Administrators and their staff for **Mount Pleasant Wines Pty Ltd (Administrators Appointed)** for the period 8 January 2020 to 30 June 2020, which is the basis of the Resolution 2 claim. Please refer to Schedule B for further details with respect to the tasks performed.

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area							
			Hrs	\$	Assets		Creditors		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Gayle Dickerson	Partner	695.00	23.1	16,027.08	19.4	13,479.93	3.5	2,425.53	0.2	104.25	0.1	60.63
Tim Mableson	Partner	695.00	54.0	37,529.27	50.9	35,375.70	2.8	1,962.45	0.0	6.95	0.3	184.18
Ryan Eagle	Partner	695.00	1.0	723.60	0.9	619.35	-	-	-	-	0.2	104.25
Simon Thorp	Partner	695.00	0.3	199.54	0.3	182.16	-	-	0.0	17.38		
John Hart	Consultant	625.00	1.2	737.16	1.2	737.16	-	-	-	-		
Brendan Arundell	Director	625.00	0.8	491.44	0.8	491.44	-	-	-	-		
John Marsden	Director	625.00	0.5	340.43	-	-	0.4	237.30	-	-	0.2	103.13
John Locke	Director	625.00	1.1	704.40	1.1	704.40	-	-	-	-		
Tim Hoskin	Associate Director	575.00	5.5	3,188.98	0.8	452.13	4.2	2,400.48	0.5	296.13	0.1	40.25
Michael Hatsatouris	Associate Director	575.00	4.3	2,489.75	-	-	0.6	365.13	3.7	2,110.25		
Leon Zheng	Associate Director	575.00	1.2	678.19	-	-	1.2	678.19	-	-		
George Choimes	Manager	525.00	32.0	16,787.51	21.9	11,489.91	10.1	5,279.22	-	-		
Charlie Griffiths	Manager	525.00	83.7	43,936.06	82.1	43,111.26	0.5	257.80	1.1	556.50		
Michael Petkovic	Manager	525.00	0.3	133.88	-	-	-	-	0.3	133.88		
Douglas Moore	Manager	525.00	0.9	452.19	0.8	412.81	-	-	-	-	0.1	39.38
Astra Delaguiado	Executive	450.00	1.4	641.25	-	-	0.2	101.25	-	-	1.2	540.00
Candice Ferreira	Executive	450.00	1.2	534.53	-	-	1.0	442.28	-	-	0.2	92.25
Luke Meany	Executive	450.00	27.3	12,280.76	5.4	2,429.69	20.2	9,106.32	1.6	699.75	0.1	45.00
Irene Tang	Executive	450.00	8.6	3,879.76	0.9	424.61	6.9	3,099.66	0.1	24.75	0.7	330.75

Employee	Position	Rate (ex GST) \$/Hour	Total		Task Area							
					Assets		Creditors		Investigation		Administration	
			Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Nick Tideman	Analyst	375.00	2.7	1,013.27	1.1	422.64	0.7	249.38	-	-	0.9	341.25
George Bundock	Analyst	375.00	0.8	297.61	-	-	0.7	258.24	-	-	0.1	39.38
Total (excluding GST)			251.9	143,066.65	187.6	110,333.18	52.9	26,863.21	7.3	3,949.83	4.1	1,920.43
GST				14,306.66								
Total (including GST)				157,373.31								
Average Hourly Rate				567.99								

3.2.3. Resolution 2: 1 July 2020 to 24 July 2020

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **McWilliam's Wines Group Ltd (Administrators Appointed)** for the period 1 July 2020 to 24 July 2020, which is the basis of the Resolution 2 claim. Please refer to Schedule C for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	83.8	51,800.00
Creditors	293.6	150,100.00
Employees	12.1	5,700.00
Trade on	200.0	92,200.00
Investigation	36.4	17,700.00
Administration	12.1	5,900.00
Total	638.0	323,400.00

3.2.4. Resolution 6: 1 July 2020 to 24 July 2020

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **Mount Pleasant Wines Pty Ltd (Administrators Appointed)** for the period 1 July 2020 to 24 July 2020, which is the basis of the Resolution 6 claim. Please refer to Schedule D for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	25.4	15,700.00
Creditors	15.5	8,000.00
Administration	6.1	2,900.00
Total	47.0	26,600.00

3.2.5. Resolution 3: 25 July 2020 to Execution of the DOCA

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **McWilliam's Wines Group Ltd (Administrators Appointed)** for the period 25 July 2020 to Execution of the DOCA, which is the basis of the Resolution 3 claim. Please refer to Schedule E for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	86.6	53,300.00
Creditors	199.5	102,100.00
Employees	10.0	4,800.00
Trade on	165.0	78,400.00
Administration	20.0	9,800.00
Total	481.1	248,400.00

3.2.6. Resolution 7: 25 July 2020 to Execution of the DOCA

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for **Mount Pleasant Wines Pty Ltd (Administrators Appointed)** for the period 25 July 2020 to Execution of the

DOCA, which is the basis of the Resolution 7 claim. Please refer to Schedule F for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	23.4	15,400.00
Creditors	10.5	5,400.00
Administration	5.0	2,500.00
Total	38.9	23,300.00

3.2.7. Resolution 15: Execution of the DOCA to Completion of the DOCA

The below table sets out the expected costs for the major tasks likely to be performed by the Deed Administrators and their staff for **McWilliam's Wines Group Ltd (Subject to DOCA)** for the period Execution of the DOCA to Completion of the DOCA, which is the basis of the Resolution 15 claim. Please refer to Schedule G for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	218.3	115,514.00
Creditors	332.5	175,940.00
Employees	95.0	50,300.00
Trade on	910.0	481,700.00
Administration	137.8	72,865.00
Total	1,693.6	896,319.00

3.2.8. Resolution 17: Execution of the DOCA to Completion of the DOCA

The below table sets out the expected costs for the major tasks likely to be performed by the Deed Administrators and their staff for **Mount Pleasant Wines Pty Ltd (Subject to DOCA)** for the period Execution of the DOCA to Completion of the DOCA, which is the basis of the Resolution 17 claim. Please refer to Schedule H for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	76.7	40,586.00
Creditors	17.5	9,260.00
Administration	7.3	3,835.00
Total	101.5	53,681.00

3.2.9. Resolution 20: Commencement of the Liquidation to Completion of the Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff for **McWilliam's Wines Group Ltd (In Liquidation)** for the period Commencement of the Liquidation to Completion of the Liquidation, which is the basis of the Resolution 20 claim. Please refer to Schedule I for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	329.2	159,300.00
Creditors	294.5	142,500.00

Task	Hours	Amount \$
Employees	124.0	60,250.00
Trade on	124.0	60,000.00
Dividend	368.1	178,125.00
Investigations	117.8	57,237.50
Administration	34.0	20,900.00
Total	1,391.6	678,312.50

3.2.10. Resolution 22: Commencement of the Liquidation to Completion of the Liquidation

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff for **Mount Pleasant Wines Pty Ltd (In Liquidation)** for the period Commencement of the Liquidation to Completion of the Liquidation, which is the basis of the Resolution 22 claim. Please refer to Schedule J for further details with respect to the tasks likely to be performed.

Task	Hours	Amount \$
Assets	104.8	50,700.00
Creditors	15.5	7,500.00
Dividend	19.4	9,375.00
Investigations	6.2	3,012.50
Administration	2.0	1,100.00
Total	147.9	71,687.50

3.3. Total remuneration reconciliation

3.3.1. Comparison between current total and previous estimates

At this point in time we estimate that the total remuneration for these administrations will be \$3,097,941.00 (excluding GST). This includes the current approval amount being sought of \$2,033,272.00 (excluding GST).

The above estimate is higher than our revised estimate in our remuneration approval request dated 31 March 2020 for the reasons stated in Section 2.3

3.3.2. Future remuneration requests

In preparing this report, we have made our best estimate at what we believe the administrations and DOCA/Liquidation will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the external administrations not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed.

Matters that may affect the progress and the cost of the external administrations, include:

- **Voluntary administration**
 - The time taken to effectuate the DOCA and finalise the creditors trust deed.
- **DOCA**
 - The finalisation of all outstanding trading issues and accounts; and
 - The time taken to complete all conditions precedent which includes obtaining ASIC relief under section 655A of the Act and obtaining court orders pursuant to section 444GA of the Act.
- **Liquidation**
 - Further investigations into the Group;
 - Additional reporting requirements; and

- Adjudication of claims and complexity in relation this to process.

3.4. Likely impact on dividends

The quantum and timing of dividends paid to creditors will depend on the DOCA funds and the value of creditor claims admitted to participate in the dividend.

Our remuneration and disbursements represent a priority expense that ranks for payment ahead of a dividend to unsecured creditors, for work that is necessary to undertake in the external administrations.

4. Disbursements

4.1. Types of disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by KPMG may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting). The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
eDiscovery services	Variable
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2020. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB

Data room hosting fees by size (MB)	Charges per month (excl GST)
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

4.2. Disbursements paid from the administrations to KPMG to date

To date, internal disbursements totaling \$5,919.96 plus any applicable GST has been approved and paid in the administration of McWilliam's Wines Group Ltd. To date, no disbursements has been approved and paid in the administration of Mount Pleasant Wines Pty Ltd.

Future disbursements provided by KPMG will be charged to the administrations on the same basis as the table in Part 4.1.

We have undertaken a proper assessment of disbursements claimed for the administrations of the Group, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.

4.3. Disbursement claim resolutions

We will be seeking approval of the following resolutions with respect to disbursements of the Group. Details to support these resolutions are included in Part 4.

Voluntary Administration

Resolution 4: 29 February 2020 to Execution of the DOCA

"That the internal disbursements of the Administrators of **McWilliam's Wines Group Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 29 February 2020 to Execution of the DOCA be fixed up to a maximum amount of \$19,156.62 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."

Resolution 8: 8 January 2020 to Execution of the DOCA

"That the internal disbursements of the Administrators of **Mount Pleasant Wines Pty Ltd (Administrators Appointed)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from 8 January 2020 to Execution of the DOCA be fixed up to a maximum amount of \$1,671.08 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."

DOCA

Resolution 16: Execution of the DOCA to Completion of the DOCA

"That the internal disbursements of the Deed Administrators of **McWilliam's Wines Group Ltd (Subject to DOCA)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$1,807.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."

Resolution 18: Execution of the DOCA to Completion of the DOCA

"That the internal disbursements of the Deed Administrators of **Mount Pleasant Wines Pty Ltd (Subject to DOCA)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Execution of the DOCA to Completion of the DOCA be fixed up to a maximum amount of \$1,507.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Deed Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."

Liquidation

Resolution 21: Commencement of the Liquidation to Completion of the Liquidation

"That the internal disbursements of the Liquidators of **McWilliam's Wines Group Ltd (In Liquidation)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$6,700.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."

Resolution 23: Commencement of the Liquidation to Completion of the Liquidation

"That the internal disbursements of the Liquidators of **Mount Pleasant Wines Pty Ltd (In Liquidation)**, as set out in the Remuneration Approval Request dated 15 July 2020, for the period from Commencement of the Liquidation to Completion of the Liquidation be fixed up to a maximum amount of \$2,100.00 plus any applicable GST, but subject to upward revision by resolution of creditors or the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing disbursements as incurred."

4.4. Details of disbursements

4.4.1. Prospective internal disbursement claim

Future disbursements provided by our firm, KPMG, will be charged to the external administrations on the same basis as set out in Part 4.1.

Resolution 4 – 29 February 2020 to Execution of the DOCA

Approval of the payment of these disbursements for **McWilliam's Wines Group Ltd (Administrators Appointed)** at the rates set out in Part 4.1 to a capped amount of \$19,156.62 is being sought.

Prospective internal disbursements	Basis	Total (excl GST) \$
Data room hosting	Variable – see table at section 4.1	16,500.00
Staff vehicle use	At prescribed ATO rates	885.52
Postage (mail room)	At cost	458.10
ASIC industry funding model levy – metric events	At prescribed ASIC rates	1,313.00
Total		19,156.62

Note: Above rates are applicable for the financial year ending 30 June 2020

Resolution 8 – 8 January 2020 to Execution of the DOCA

Approval of the payment of these disbursements for **Mount Pleasant Wines Pty Ltd (Administrators Appointed)** at the rates set out in Part 4.1 to a capped amount of \$1,671.08 is being sought.

Prospective internal disbursements	Basis	Total (excl GST) \$
Staff vehicle use	At prescribed ATO rates	863.08
ASIC industry funding model levy – metric events	At prescribed ASIC rates	808.00
Total		1,671.08

Resolution 16 – Execution of the DOCA to Completion of the DOCA

Approval of the payment of these disbursements for **McWilliam's Wines Group Ltd (Subject to DOCA)** at the rates set out in Part 4.1 to a capped amount of \$1,807.00 is being sought.

Prospective internal disbursements	Basis	Total (excl GST) \$
Staff vehicle use	At prescribed ATO rates	800.00
Postage (mail room)	At cost	300.00
ASIC industry funding model levy – metric events	At prescribed ASIC rates	707.00
Total		1,807.00

Note: Above rates are applicable for the financial year ending 30 June 2020

Resolution 18 – Execution of the DOCA to Completion of the DOCA

Approval of the payment of these disbursements for **Mount Pleasant Wines Pty Ltd (Subject to DOCA)** at the rates set out in Part 4.1 to a capped amount of \$1,507.00 is being sought.

Prospective internal disbursements	Basis	Total (excl GST) \$
Staff vehicle use	At prescribed ATO rates	800.00
ASIC industry funding model levy – metric events	At prescribed ASIC rates	707.00
Total		1,507.00

Resolution 21 – Commencement of the Liquidation to Completion of the Liquidation

Approval of the payment of these disbursements for **McWilliam's Wines Group Ltd (In Liquidation)** at the rates set out in Part 4.1 to a capped amount of \$6,700.00 is being sought.

Prospective internal disbursements	Basis	Total (excl GST) \$
Data room hosting	Variable – see table at section 4.1	4,000.00
Staff vehicle use	At prescribed ATO rates	1,000.00
Postage (mail room)	At cost	600.00
ASIC industry funding model levy – metric events	At prescribed ASIC rates	1,100.00
Total		6,700.00

Note: Above rates are applicable for the financial year ending 30 June 2020

Resolution 23 – Commencement of the Liquidation to Completion of the Liquidation

Approval of the payment of these disbursements for **Mount Pleasant Wines Pty Ltd (In Liquidation)** at the rates set out in Part 4.1 to a capped amount of \$2,100.00 is being sought.

Prospective internal disbursements	Basis	Total (excl GST) \$
Staff vehicle use	At prescribed ATO rates	1,000.00
ASIC industry funding model levy – metric events	At prescribed ASIC rates	1,100.00
Total		2,100.00

5. Report on progress of the administration

The Remuneration Approval Request must be read in conjunction with the Voluntary Administrators' Report to creditors dated 15 July 2020 which outlines the progress of the administrations.

6. Summary of receipts and payments

A summary of receipts and payments for the period 8 January 2020 to 30 June 2020 is set out in **Annexure B** to the Voluntary Administrators' Report to creditors dated 15 July 2020.

7. Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to Section 2.9 of the Voluntary Administrators' Report to creditors dated 15 July 2020.

8. Questions

If you require further information in respect of the above, or have other questions, please contact Irene Tang of this office on 02 9273 5594 or via email at mcwilliams@kpmg.com.au.

The restructuring partners of KPMG are members of ARITA. KPMG follows the Code. A copy of the Code may be found on the ARITA website at www.arita.com.au.

An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at www.asic.gov.au.

Dated this 15th day of July 2020



Gayle Louise Dickerson, Tim Mablesen and Ryan Eagle

Joint and Several Voluntary Administrators

McWilliam's Wines Group Ltd (Administrators Appointed)

Mount Pleasant Wines Pty Ltd (Administrators Appointed)

Schedule A – Resolution 1

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff for **McWilliam's Wines Group Ltd** for the period 29 February 2020 to 30 June 2020, which is the basis of the Resolution 1 claim in section 3.2.1.

Task area	General description	Includes
Assets		<ul style="list-style-type: none"> • Attended on site at Hanwood and Mt Pleasant and Pyrmont to discuss and obtain information pertaining to the McWilliam's Wine Group (MWG) circulating assets • Continued review of MWG bulk wine listing and assess potential immediate offers to sell bulk wine stock. Continued assessment of bulk wine stock levels and best options to sell bulk wine stock. • Regular communication with Chief Winemaker and senior management to assess potential sale of bulk wine parcels, consider same in line with MWG bulk wine holding strategy • Corresponded with various wine brokers in relation to potential bulk wine sales • Liaised with winemaking team to assess sale of excess barrels on site at Hanwood and Beelbanger • Discussed sale of MWG bottled inventory currently classified as SLOB – slow moving and obsolete stock • Regular communication with Grays Wine in relation to approved SLOB sales parameters with MWG sales and marketing divisions including updates on sales and auctions and reassessment of strategy to sell SLOB stock • Meeting with MWG management to review bulk wine sale options • Meeting on site with warehouse manager to determine the bottled stock position of MWG (labelled and unlabelled) • Attended Hanwood cellar to assess stock on hand • Liaised with MWG senior management and winemaking team to discuss potential sale of cellar stock • Reviewed and considered ongoing stock realisation strategies • Attended to review of museum, cellar and third party stock realisation strategy • Attended fortnightly teleconference with MWG management team to discuss Grays Wine sales progress
579.4 hours	All circulating assets	
\$339,423.82		
(excl GST)		

Task area	General description	Includes
		<ul style="list-style-type: none"> • Updated review of SLOB sales strategy with senior management • Liaised with MWG senior management to discuss inventory and planning for a physical stocktake at settlement including all logistical matters surrounding same given quantum and location of stock • Approved sale of various cleanskin wine sales • Arranged for orderly sale back of stock to Henkell and Mionetto • Reviewed and approved write off of various dry-goods surplus to MWG requirements • Considered approach to various items of quarantined stock, discuss with production team and third party bottlers • Approved write off, destruction and decanting of various quarantined stock items
	Debtors	<ul style="list-style-type: none"> • Reviewed monthly debtor reconciliation and assessment of any bad debts • Issued correspondence to debtors with outstanding amounts demanding repayment • Engaged debt collection agency to assist with debtor collections • Considered debt recovery procedure in light of COVID-19 for on-premise customers • Considered requirement for trade credit insurance to protect debtor position • Reviewed claims by debtors for purported offsets
	Leasing	<ul style="list-style-type: none"> • Reviewed all of the MWG's leased assets • Liaising with owners and lessors in relation to continued use of land, vineyards and business premises • Issued invoices to sub-tenants and collection of rent • Considered request for approval of reduced rent due to COVID-19 • Reviewed leased asset listing for various items of equipment where leases had been paid out during the administrations • Reviewed leased water licences and arrangements
	Sale of business/property/ recapitalisation	<ul style="list-style-type: none"> • Considered options to undertake sale of business • Discussions with numerous interested parties and attending to maintaining a register of same • Reviewed Knight Frank property valuations

Task area	General description	Includes
		<ul style="list-style-type: none"> • Collated information for data room as part of sale/recapitalisation process and liaising with McWilliam's staff to collate relevant data • Detailed discussions between the Administrators and senior management as to sale strategy for the business • Continued discussions with Colliers International (Colliers) in relation to sale/recapitalisation process • Reviewed Colliers marketing reports • Execution of non-disclosure agreements (NDA) with interested parties seeking access to data room • Continued correspondence with our solicitors HWL Ebsworth (HWLE) in relation to NDAs and information requests from numerous interested parties • Provided instructions to numerous interested parties on how to complete NDA • Attended weekly sale process updates with Colliers • Reviewed the Group's various water licences (owned and leased) • Liaised with Colliers in relation to marketing strategy and executed marketing agreement • Liaised with Shield Docs in relation to administering data room access to interested parties and monitoring for continued access • Prepared and issued numerous responses to requests from interested parties • Provided information to Knight Frank for provision of property valuations • Reviewed Knight Frank property valuations • Reviewed Non-Binding Indicative Offers (NBIO) received • Discussions with Colliers and HWLE regarding NBIOs and determination of the short listed parties to participate in a more detailed due diligence process • Collated information requested by short listed parties, liaised with McWilliam's staff to collate relevant data and respond to interested parties due diligence queries • Reviewed multiple final binding offers including discussions with Colliers and HWLE regarding the same • Liaised with parties who submitted final binding offers to negotiate on their offers

Task area	General description	Includes
		<ul style="list-style-type: none"> • Met with various interested parties and their advisers to discuss the details of their offers • Enter into period of exclusivity with preferred bidder, negotiations in relation to their offer • Instructed HWLE to draft business sale agreement and land sale contracts for MWG • Administered data room for updated information during further due diligence being undertaken by the preferred bidder • Detailed review of the Company's trademarks • Engaged in protracted negotiations with preferred bidder including advancing contracts • Discussions with HWLE and Colliers regarding re-opening sale or recapitalisation process • Correspondence with interested parties regarding re-opened sale or recapitalisation process • Considered the further competitive offers received for the sale/ recapitalization • Provided further information to assist final parties with their due diligence • Received and reviewed final offers • Prepare detailed estimated outcome statement to compare offers received
	Plant and Equipment	<ul style="list-style-type: none"> • Liaised with third party suppliers of plant and equipment regarding collection arrangements for items no longer required by the Administrators • Reviewed Slattery's Auctions and Valuation (Slattery's) valuation of the Group's plant and equipment • Reviewed asset listing provided by Slattery's and matched assets to the MWG asset listing • Engaged Slattery's to conduct a valuation of the MWG furniture and IT assets • Reviewed furniture and IT asset listing and valuation provided by Slattery's and matched to the MWG asset listing
	Secured creditor reporting and claim	<ul style="list-style-type: none"> • Liaised with secured creditors in relation PPSR and other claims • Monthly reporting to Gordon Brothers in relation to loan facility • Reviewing Gordon Brothers loan facility and make assessments in relation to early repayment of the loan facility based on the Group's cash flow position

Task area	General description	Includes
Creditors		<ul style="list-style-type: none"> • Liaised with Gordon Brothers in relation to monthly reporting obligations • Requested information from management to assist with monthly reporting obligations • Arranged and processed two early repayments of the Gordon Brothers loan facility in May 2020 and June 2020
	Retention of Title Claims	<ul style="list-style-type: none"> • Reviewed numerous ongoing Purchase Money Security Interest (PMSI) claims from secured creditors • Updated ledger and tracker of all PPSR registered creditors • Requested legal advice from HWLE in relation to various matters related to PMSI claims and warehouse lien claims of secured creditors • Received and reviewed notification of creditors' intention to claim • Provided retention of title claim form to creditor • Liaised with various suppliers to release stock subject to warehouse lien secured interests • Entered into commercial settlement agreements with various secured creditors • Received completed retention of title claim form • Maintained retention of title file • Meeting claimant on site to identify goods • Adjudicated retention of title claims • Forwarded correspondence to claimant notifying outcome of adjudication • Prepared payment vouchers to satisfy valid claim • Prepared correspondence to claimant to accompany payment of claim (if valid) • Continued management of various PMSI and lien claims, updates to PPSR schedule and tracking of all secured claims in the Administration • Requested various creditors to discharge registration where they did not hold a valid secured claim
	Creditor/COI reports	<ul style="list-style-type: none"> • Prepared circular to creditors to provide update on Administration, trading and sale or recapitalisation process • Prepared notice to Committee of Inspection (COI) in relation to second and third COI meeting including preparation of report and remuneration approval request
379.7 hours \$192,682.29 (excl GST)		

Task area	General description	Includes
		<ul style="list-style-type: none"> Prepared Administrators' report to creditors detailing our investigations to date as well as our opinions on the options available to creditors at the second meeting of creditors
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Received and responded to creditor enquiries regarding administration and sale update via telephone and email Reviewed and prepared correspondence to creditors and their representatives
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipted and filed proofs of debt when not related to a dividend Liaised with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> Prepared and lodged minutes of first COI meeting with the Australian Securities & Investments Commission (ASIC) Prepared and held second and third COI meetings Prepared and lodged minutes of second and third COI meetings with ASIC.
Employees	Employee enquiries, wages and superannuation	<ul style="list-style-type: none"> Collated employee Frequently Asked Questions (FAQ) and provided FAQ updates throughout the Administration to date Provided employees with regular updates on the progress of the Administration either on site or via teleconference Liaised with Head of People and Culture (HR) and senior management in relation to employee FAQ's Reviewed current workers compensation claims Sought legal advice from HWLE in relation to defined benefits Liaised with Plum Super in relation to defined benefit members Assessed employee requirements as part of our ongoing review of the group and restructuring of operations Liaised with HR and senior management regarding the planned restructure of the Group and issued termination letters to certain employees Discussions with various employees on an ad hoc basis throughout the Administration to date Reviewed defined benefits superannuation plan Liaised with employees who resigned their employment during the Administration
94.7 hours \$51,365.00 (excl GST)		

Task area	General description	Includes
		<ul style="list-style-type: none"> • Arranged for employees to transfer their mobile telephone number upon cessation of employment • Updated various employees short term contracts on an ongoing basis • Reviewed the need to recruit for positions made vacant from natural attrition of the workforce • Liaised with employees regarding their employee entitlements • Liaised with HR and senior management regarding the impact of COVID 19. Arrange for ongoing employee communication to inform of closure of Mount Pleasant Cellar door and closure of Pymont office in response to government directives • Arranged for a COVID-19 FAQ document to be issued to employees to provide information in relation to leave entitlement options as a result of COVID-19 restrictions • Liaised with HR and senior management regarding the relaxation of COVID-19 restrictions including the reopening of the Mount Pleasant cellar door and Pymont office • Provided MWG employee updates via teleconference on progress of the sale/recapitalisation of the MWG
	Calculation of entitlements	<ul style="list-style-type: none"> • Reviewed employee files and the MWG books and records relating to entitlements • Reviewed employee contracts, awards and other relevant legislation and policies • Reviewed the calculation of employee entitlements by the Group and issued Statement of Entitlements to all employees • Liaised with Payroll staff, finance and HR in relation to the calculation of employee entitlements • Reviewed employee entitlements model on an ongoing basis • Discussed potential long service leave queries and employee start date queries • Updated calculation of entitlements for employees who were terminated or had resigned.
	Workers Compensation	<ul style="list-style-type: none"> • Corresponded with insurer regarding ongoing workers' compensation insurance requirements
	Other employee issues	<ul style="list-style-type: none"> • Corresponded with Child Support regarding child support payments required to be remitted for employees

Task area	General description	Includes
Trade on 1,212.3 hours \$573,499.50 (excl GST)		<ul style="list-style-type: none"> Corresponded with Centrelink regarding maternity leave applications and payments for employees
	Trade-on management	<ul style="list-style-type: none"> Reviewed employee files and the MWG books and records relating to entitlements Reviewed employee contracts, awards and other relevant legislation and policies Reviewed the calculation of employee entitlements by the Group and issued Statement of Entitlements to all employees Liaised with Payroll staff, finance and HR in relation to the calculation of employee entitlements Reviewed employee entitlements model on an ongoing basis Discussed potential long service leave queries and employee start date queries Updated calculation of entitlements for employees who were terminated or had resigned.
	Production, inventory and distributor review	<ul style="list-style-type: none"> Corresponded with insurer regarding ongoing workers' compensation insurance requirements
	Employees	<ul style="list-style-type: none"> Reviewed and processed payroll each week for all casual employees and monthly for all full time employees for the Administration period Responded to queries regarding ongoing payroll matters Liaised with superannuation funds regarding contributions superannuation and organising timely remittance of superannuation contributions Liaised with OSR regarding payroll tax issues Organise monthly lodgement and remittance of PAYG and payroll tax Liaised with management regarding contributions and termination of employment for both the Group's planned restructure and for natural attrition Ongoing assessment of different state and government initiatives in relation to COVID-19 relief including JobKeeper program and payroll tax relief.
	Processing receipts and payments	<ul style="list-style-type: none"> Entered receipts and payments into accounting system Prepared weekly supplier batch payments Prepared urgent supplier payments as required Ensured international payments including telegraphic transfers were completed

Task area	General description	Includes
		<ul style="list-style-type: none"> • Receipts and payments reconciliations • Liaised with finance staff to ensure timely payments of all suppliers
	Cashflow and financial reporting	<ul style="list-style-type: none"> • Sweeping pre-appointment bank accounts • Prepared cash flow forecasts under various scenarios to understand potential ongoing funding requirements • Analysed cash flow and options under various scenarios to reflect varied levels of trading • Established cash flow monitoring activities for the Administration phase which has included the development and maintenance of a 26 week cash flow forecast which was required to be extended and which is reviewed weekly • Monitoring cash receipts on a daily occurrence and updating the 26-week cash flow model accordingly
Investigation		<ul style="list-style-type: none"> • Collection of the Group's books and records • Reviewing the Group's books and records including Board packs, bank statements, ATO documents, financial statements, loan documents • Review of the Group's nature and history including discussions with management about to the Group's history and recent financial performance including key events in the lead up to our appointment • Conducted and summarised statutory searches • Preparation of comparative financial statements • Review of specific transactions and liaising with management regarding certain transactions which included reviews of the Group's detailed accounts payable ledger including identifying and liaising with the management as to payment arrangements with creditors, reviewing the Group's bank statements and general ledgers to identify loan arrangements • Review of the defences available • Preparation of investigation file to detail results of unfair preference payment investigations, review of potential related party transactions and insolvent trading investigations and potential defences available
138.6 hours \$75,046.68 (excl GST)	Conducting investigation	
Administration		<ul style="list-style-type: none"> • Attended to media enquiries on an ongoing basis • Reviewed press releases and liaised with CEO in relation to same • Media strategy implemented generally
77.6 hours \$36,488.08 (excl GST)	Media	
	Shareholders	<ul style="list-style-type: none"> • Liaised with various groups of shareholders and responded to their enquiries on an ongoing basis

Task area	General description	Includes
	Correspondence	<ul style="list-style-type: none"> • General correspondence
	Bank account administration	<ul style="list-style-type: none"> • Liaised with ANZ in relation to control of pre-appointment bank account • Requesting bank statements • Bank account reconciliations • Correspondence with bank regarding specific transfers
	ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Attended to 'business as usual' statutory tasks with the ATO including BAS preparation and other statutory tasks prescribed by the Act
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration

Schedule B – Resolution 5

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff for **Mount Pleasant Wines Pty Ltd** for the period 8 January 2020 to 30 June 2020, which is the basis of the Resolution 5 claim in section 3.2.2.

Task area	General description	Includes
Assets		<ul style="list-style-type: none"> Secured all assets on hand and confirmed insurance arrangements and physical security of the Mount Pleasant Winery and associated vineyards Considered options to undertake sale of business in conjunction with the sale of McWilliam's Wines Group Ltd Discussions with numerous interested parties and attending to maintaining a register of same Engaged Knight Frank to conduct the property valuation Prepared a two page flyer to provide to interested parties Collated information for data room as part of sale/recapitalisation process and liaising with McWilliam's staff to collate relevant data Detailed discussions between the Administrators and senior management as to sale strategy for the business
187.6 hours	Sale of business/property/ recapitalisation	<ul style="list-style-type: none"> Liaised with numerous interested parties and maintain register of same Sought proposals from sales agents to assist with the sale or recapitalisation of the Company's assets Reviewed and assessed proposals received Executed sales agency agreement with Colliers Collated information from CEO, CFO and senior management to include in the information memorandum Prepared detailed information memorandum and provide to interested parties Finalised Non-Disclosure Agreement (NDA) for interested parties to access the data room Continued discussions with various interested parties in relation to commencement of sale/recapitalisation process Execution of NDA with interested parties seeking access to secure data room Continued correspondence with our solicitors HWLE in relation to NDAs and information requests from numerous interested parties
\$110,333.18		
(excl GST)		

Task area	General description	Includes
		<ul style="list-style-type: none"> • Provided instructions to numerous interested parties on how to complete NDA • Reviewed the Groups various water licences (owned and leased) • Liaised with Colliers in relation to marketing strategy and executed marketing agreement • Liaised with Shield Docs in relation to administering data room access to interested parties • Prepared and issues numerous responses to requests from interested parties • Provided information to Knight Frank for provision of property valuations of the Mount Pleasant Winery and vineyards • Reviewed Non-Binding Indicative Offers (NBIO) received • Discussions with Colliers and HWLE regarding NBIOs and determination of the short listed parties to participate in a more detailed due diligence process • Collated information requested by short listed parties, liaised with McWilliam's staff to collate relevant data and respond to interested parties due diligence queries • Reviewed multiple final binding offers including discussions with Colliers and HWLE regarding the same • Liaised with parties who submitted final binding offers to negotiate on their offers • Entered into period of exclusivity with preferred bidder, negotiations in relation to their offer, draft of sale contract • Engaged in protracted negotiations with preferred bidder including advancing land sale contracts • Correspondence with interested parties regarding re-opened sale or recapitalisation process • Instructed HWLE to draft business sale agreement and land sale contracts for MWG • Administered data room for updated information during further due diligence being undertaken by the preferred bidder • Discussions with HWLE and Colliers regarding re-opening sale or recapitalisation process • Considered the further competitive offers received for the sale/ recapitalisation

Task area	General description	Includes
		<ul style="list-style-type: none"> • Provided further information to assist final parties with their due diligence • Received and reviewed final offers • Prepared detailed estimated outcome statement to compare offers received
	Secured creditor reporting and claim	<ul style="list-style-type: none"> • Search of the Personal Properties Security Register (PPSR) and create a spreadsheet to track secured claims • Notified PPSR registered creditors of the appointment of Administrators to Mount Pleasant • Liaised with secured creditors in relation PPSR and other claims • Teleconference with Margaret River Wine Production Pty Ltd (MRWP) in relation to the appointment of Administrators to the Company • Responded to secured creditors' queries • Conference calls with representatives of secured creditor MRWP on an ongoing basis • Received and reviewed information provided by secured creditor • Prepared information pursuant to requests from MRWP • Liaising with MRWP regarding its security • Reconciled secured creditor claim • Reviewed secured creditor convertible note deed • Addressed the appointment of receivers and managers • Telephone discussions and meetings with the receivers and managers • Communicated with HWLE and receivers and managers in relation to refinance settlement process and documents required • Internal discussions regarding refinance settlement of MRWP debt • Liaised with receivers and managers solicitors confirming debt owed to secured creditor • Ongoing discussions, correspondence and meetings with funder to provide facility to enable the payout of MRWP • Establishing and populating data room for funder to undertake due diligence
Creditors		
52.9 hours		
\$26,863.21		

Task area	General description	Includes
(excl GST)		<ul style="list-style-type: none"> • Liaised with secured creditor and receivers and managers in relation to refinance settlement process • Prepared MRWP payout calculations • Issued letter to funder in respect of the Administrators application to the Court limiting their personal liability and liaison with HWLE re Court application • Telephone conference with funder to in relation to information requests and monthly reporting compliance • Confirmed payout of MRWP and retirement of receivers and managers • Liaised with secured creditors in relation PPSR and other claims • Monthly reporting to Gordon Brothers in relation to loan facility • Reviewing Gordon Brothers loan facility and make assessments in relation to early repayment of the loan facility based on the Group's cash flow position • Liaised with Gordon Brothers in relation to monthly reporting obligations • Requested information from management to assist with monthly reporting obligations • Arranged and processed two early repayments of the Gordon Brothers loan facility in May 2020 and June 2020
	Creditor reports	<ul style="list-style-type: none"> • Prepared initial notice to creditors dated 9 January 2020 • Prepared circular to creditors to provide update on Administration, trading and sale or recapitalisation process • Prepare Administrators' report to creditors detailing our investigations to date as well as our opinions on the options available to creditors at the second meeting of creditors
	Extension of convening period	<ul style="list-style-type: none"> • Prepared correspondence to creditors dated 23 January 2020 to advise of our intention to make an application for the extension of the convening period • Make an application to the Federal Court of Australia seeking an extension including working with HWLE to prepare the necessary legal and Court documentation • Advise stakeholders of the extension of the convening period following Court order

Task area	General description	Includes
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receive and respond to creditor enquiries regarding administration and sale update via telephone and email • Review and prepare correspondence to creditors and their representatives
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend • Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> • Prepared meeting notices, proxies and advertisements • Forwarded notice of meeting to all known creditors • Prepared meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. • Held first meeting of creditors • Prepared and lodged minutes of meeting with the ASIC
Investigation		
7.3 hours \$3,949.83 (excl GST)	Conducting investigation	<ul style="list-style-type: none"> • Collected the Group's books and records • Reviewed the Group's books and records including Board packs, bank statements, ATO documents, financial statements, loan documents • Reviewed of the Group's nature and history including discussions with management about to the Group's history and recent financial performance including key events in the lead up to our appointment • Conducted and summarised statutory searches • Prepared investigation file to detail results of unfair preference payment investigations and review of potential related party transactions
	Media	<ul style="list-style-type: none"> • Attended to media enquiries on an ongoing basis • Reviewed press releases and liaised with CEO in relation to same • Media strategy implemented generally
Administration	ASIC forms	<ul style="list-style-type: none"> • Prepared and lodged ASIC forms
4.1 hours \$1,920.43 (excl GST)	Bank account administration	<ul style="list-style-type: none"> • Prepared correspondence to open administration account • Bank account reconciliations
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Prepared and lodging ASIC forms • Reviewed asset registers and values supplied by the Group and detailed in the Director's ROCAP
	Planning / review	<ul style="list-style-type: none"> • Discussed status / strategy of administration

Schedule C – Resolution 2

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Administrators and their staff for **McWilliam's Wines Group Ltd** for the period 1 July 2020 to 24 July 2020, which is the basis of the Resolution 2 claim in section 3.2.3.

Task area	General description	Includes
Assets	All circulating assets	<ul style="list-style-type: none"> Regular communication with Grays Wine in relation to approved SLOB sales currently at Grays Wine with parameters set by MWG sales and marketing divisions including updates on sales and auctions Meetings with MWG management to review bulk wine sale and purchase options to meet current demand forecast Meetings regarding stock take procedure for upcoming settlement
	Debtors	<ul style="list-style-type: none"> Issue correspondence to debtors with outstanding amounts Liaise with finance team and debt collectors to assist with collections
	Sale of business as a going concern	<ul style="list-style-type: none"> Liaise with parties who submitted final binding offers to negotiate on their offers Liaise with preferred party in relation to their DOCA proposal including expected timeline Liaise with HWLE and preferred parties lawyers regarding DOCA proposal and finalising terms. Meetings with preferred bidder regarding commercial terms of continuing to trade the MWG business
Creditors	Secured creditor reporting and claim	<ul style="list-style-type: none"> Ongoing monthly reporting to Gordon Brothers in relation to loan facility
	Retention of Title Claims	<ul style="list-style-type: none"> Continue management of various PMSI and lien claims, updates to PPSR schedule and tracking of all secured claims in the Administration
	Creditor/COI reports	<ul style="list-style-type: none"> Prepare notice to Committee of Inspection (COI) in relation to fourth COI meeting Prepare Administrators' report to creditors detailing our investigations to date as well as our opinions on the options available to creditors at the second meeting of creditors
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries regarding administration and Report to Creditors via telephone and email
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> Prepare and lodged minutes of fourth COI meeting with ASIC Prepare meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to

Task area	General description	Includes
Employees 12.1 hours \$5,700.00 (excl GST)	Employee enquiries	creditors, advertisement of meeting and draft minutes of meeting.
		<ul style="list-style-type: none"> Review and process all proxies received Discussions with various employees on an ad hoc basis throughout the Administration to date Employee briefings from Administrator via teleconference Preparing FAQ for employees to advise of impact of potential DOCA on employment
	Calculation of entitlements	<ul style="list-style-type: none"> Reviewed employee entitlements model Discussed potential long service leave queries and employee start date queries
Trade on 200.0 hours \$92,200.00 (excl GST)	Trade-on management	<ul style="list-style-type: none"> Discuss key trading issues with senior management including communications with suppliers Reviewing sales forecast updates from senior management Ongoing weekly review of short term cash flow forecast, liaise with senior finance team in relation to same Updating short term cash flow forecast for period of DOCA including to the completion of DOCA sunset date Review of weekly and monthly wages and ensure timely payment of same Ongoing review and approval of Purchase Orders Ongoing review and approval of Work Orders for production Prepare and authorise payment vouchers Review and approve various minor capex requests Review pruning requirements for ongoing vineyard maintenance across owned and leased vineyards Detailed review of ongoing trading, budget and cash flow of the business and modelling cash flow Preparation of documents for insurance renewal of MWG Ongoing review of MWG inventory levels
		<ul style="list-style-type: none"> Maintain production as per brand rationalisation review undertaken with CEO, sales and marketing teams in line with the Group's strategic plan with reduction in SKU's Oversee production and demand planning for the period of the Deed Administration Review and discuss with senior management the requirement to maintain adequate inventory levels
	Employees	<ul style="list-style-type: none"> Review and process payroll each week for all employees for the Administration period Respond to queries regarding ongoing payroll matters including and resignations and new hires Liaise with superannuation funds regarding contributions superannuation Liaise with OSR regarding payroll tax set up for the new financial year Liaise with management regarding contributions and termination of employment

Task area	General description	Includes
		<ul style="list-style-type: none"> Organise monthly lodgement and remittance of PAYG and payroll tax
	Processing receipts and payments	<ul style="list-style-type: none"> Enter receipts and payments into accounting system Prepare weekly supplier batch payments Prepare urgent supplier payments as required Ensure international payments including telegraphic transfers were completed Receipts and payments reconciliations
	Cashflow and financial reporting	<ul style="list-style-type: none"> Sweep pre-appointment bank accounts Prepare cash flow forecasts under various scenarios to understand potential funding requirements required throughout the DOCA period Analyse cash flow and options under various scenarios to reflect varied levels of trading matched to production and sales forecasts prepared by management Maintaining cash flow monitoring activities for the Administration including the development and maintenance of a 26 week cash flow forecast which was required to be extended for the DOCA period and sunset date which is reviewed weekly Monitoring cash receipts on a daily occurrence and updating the cash flow model accordingly Review monthly management reporting information packages produced by senior management
Investigation		<ul style="list-style-type: none"> Reviewing the Group's books and records including Board packs, bank statements, ATO documents, financial statements, loan documents to assist with completion of the Administrators Report
36.4 hours \$17,700.00 (excl GST)	Conducting investigation	<ul style="list-style-type: none"> Review of the Group's nature and history including discussions with management about the Group's history and recent financial performance including key events in the lead up to our appointment to complete the Administrators Report Finalise preliminary investigation file detailing results of unfair preference payment investigations, review of potential related party transactions and insolvent trading investigations and potential defenses available
Administration	Media	<ul style="list-style-type: none"> Attend to media enquiries on an ongoing basis Reviewed press releases and liaised with CEO in relation to same Media strategy implemented in relation to timing and issuing of Administrators Report
12.1 hours \$5,900.00 (excl GST)	Shareholders	<ul style="list-style-type: none"> Liaised with various groups of shareholders and responded to their enquiries on an ongoing basis Review June quarter loan note statements
	Bank account administration	<ul style="list-style-type: none"> Liaise with ANZ in relation to control of pre-appointment bank account Request bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms

Task area	General description	Includes
	ATO and other statutory reporting	<ul style="list-style-type: none"> Attended to 'business as usual' statutory tasks with the ATO including BAS preparation and other statutory tasks prescribed by the Act
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status / strategy of administration

Schedule D – Resolution 6

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Administrators and their staff for **Mount Pleasant Wines Pty Ltd** for the period 1 July 2020 to 24 July 2020, which is the basis of the Resolution 6 claim in section 3.2.4.

Task area	General description	Includes
Assets		<ul style="list-style-type: none"> Liaise with parties who submitted final binding offers to negotiate on their offers
25.4 hours \$15,700.00 (excl GST)	Sale of business as a going concern	<ul style="list-style-type: none"> Liaise with preferred party in relation to their DOCA proposal including expected timeline Liaise with HWLE and preferred parties lawyers regarding DOCA proposal and finalising terms and conditions including a floor price for stock.
	Secured creditor reporting and claim	<ul style="list-style-type: none"> Ongoing monthly reporting to Gordon Brothers in relation to loan facility
	Creditor/COI reports	<ul style="list-style-type: none"> Prepare notice to Committee of Inspection (COI) in relation to fourth COI meeting Prepare Administrators' report to creditors detailing our investigations to date as well as our opinions on the options available to creditors at the second meeting of creditors
Creditors	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries regarding administration and sale update via telephone and email
15.5 hours \$8,000.00 (excl GST)	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> Prepare meeting notices, proxies and advertisements Forward notice of meeting to all known creditors Prepare meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. Review and process all proxies received
Administration		<ul style="list-style-type: none"> Attend to media enquiries on an ongoing basis
6.1 hours \$2,900.00 (excl GST)	Media	<ul style="list-style-type: none"> Review press releases and liaised with CEO in relation to same Media strategy implemented in relation to timing and issuing of Administrators Report
	Bank account administration	<ul style="list-style-type: none"> Bank account reconciliations
	ASIC forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status / strategy of administration

Schedule E – Resolution 3

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Administrators and their staff for **McWilliam's Wines Group Ltd** for the period 25 July 2020 to Execution of the DOCA, which is the basis of the Resolution 5 claim in section 3.2.5.

Task area	General description	Includes
Assets 86.6 hours \$53,300.00 (excl GST)	All circulating assets	<ul style="list-style-type: none"> Regular communication with Grays Wine in relation to approved SLOB sales currently at Grays Wine with parameters set by MWG sales and marketing divisions including updates on sales and auctions Meetings with MWG management to review bulk wine sale and purchase options to meet current demand forecast
	Debtors	<ul style="list-style-type: none"> Issue correspondence to debtors with outstanding amounts
	DOCA	<ul style="list-style-type: none"> Liaise with HWLE and DOCA proponent's lawyers regarding DOCA proposal and finalising terms and conditions precedent Reviewing the DOCA deed Liaise with HWLE and DOCA proponent's lawyers regarding creditors trust deed Reviewing the Trust deed Working on the DOCA proposal's various conditions precedent Correspondence with shareholders regarding the transfer of shares to DOCA proponent Ongoing discussions with DOCA proponent in relation to ongoing trading and operational matters Ongoing discussions with DOCA proponent in relation to stocktake Attendance on site at Hanwood and Mount Pleasant to facilitate stocktake
Creditors 199.5 hours \$102,100.00 (excl GST)	Secured creditor reporting and claim	<ul style="list-style-type: none"> Monthly reporting to Gordon Brothers in relation to loan facility
	Retention of Title Claims	<ul style="list-style-type: none"> Continue management of various PMSI and lien claims, updates to PPSR schedule and tracking of all secured claims in the Administration including correspondence in relation to the DOCA and the conditions precedents
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries regarding administration via email and telephone Liaise with creditors in relation to timing of DOCA
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> Prepare and lodged minutes of second meeting of creditors with ASIC
Employees	Employee enquiries	<ul style="list-style-type: none"> Discussions with various employees on an ad hoc basis throughout the Administration to date Employee briefings from Administrator via teleconference

Task area	General description	Includes
10.0 hours \$4,800.00 (excl GST)		<ul style="list-style-type: none"> Correspondence to employees in relation to continuation of employment Prepare updated FAQ documents to address any further queries
	Calculation of entitlements	<ul style="list-style-type: none"> Reviewed employee entitlements model Discussed potential long service leave queries and employee start date queries
Trade on 165.0 hours \$78,400.00 (excl GST)	Trade-on management	<ul style="list-style-type: none"> Discuss key trading issues with senior management including communications with suppliers Meeting with sales and marketing teams in relation to sales forecasts Ongoing weekly review of short term cash flow forecast, liaise with senior finance team in relation to same Review of weekly and monthly wages and ensure timely payment of same Ongoing review and approval of Purchase Orders Review of ongoing pruning requirement at the leased and owned vineyards Ongoing review and approval of Work Orders for production Prepare and authorise payment vouchers Detailed review of ongoing trading, budget and cash flow of the business and modelling cash flow
	Production, inventory and distributor review	<ul style="list-style-type: none"> Maintain production as per brand rationalisation review undertaken with CEO, sales and marketing teams in line with the Group's strategic plan with reduction in SKU's Oversee production and demand planning for the period of the Deed Administration Review and discuss with senior management the requirement to maintain adequate inventory levels
	Employees	<ul style="list-style-type: none"> Review and process payroll each week for all employees for the Administration period Respond to queries regarding ongoing payroll issues Liaise with superannuation funds regarding contributions superannuation Liaise with OSR regarding payroll tax issues Liaise with management regarding contributions and termination of employment Organise monthly lodgment and remittance of PAYG and payroll tax

Task area	General description	Includes
Administration 20.0 hours \$9,800.00 (excl GST)	Processing receipts and payments	<ul style="list-style-type: none"> • Enter receipts and payments into accounting system • Prepare weekly supplier batch payments • Prepare urgent supplier payments as required • Ensure international payments including telegraphic transfers were completed • Receipts and payments reconciliations
	Cashflow and financial reporting	<ul style="list-style-type: none"> • Sweep pre-appointment bank accounts • Prepare cash flow forecasts under various scenarios including to sunset date of DOCA • Analyse cash flow and options under various scenarios to reflect varied levels of trading • Continue cash flow monitoring activities for the Administration phase which has included the development and maintenance of a cash flow forecast which is required to be extended to the sunset date of the DOCA • Monitoring cash receipts on a daily occurrence and updating the cash flow model accordingly • Review monthly management reporting information packages produced by senior management
	Media	<ul style="list-style-type: none"> • Attend to media enquiries on an ongoing basis • Media strategy implemented generally
	Shareholders	<ul style="list-style-type: none"> • Liaise with various groups of shareholders and responded to their enquiries on an ongoing basis • Liaise with shareholders regarding DOCA terms
	Bank account administration	<ul style="list-style-type: none"> • Liaise with ANZ in relation to control of pre-appointment bank account • Request bank statements • Bank account reconciliations • Correspondence with bank regarding specific transfers
	ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Attended to 'business as usual' statutory tasks with the ATO including BAS preparation and other statutory tasks prescribed by the Act
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration

Schedule F – Resolution 7

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Administrators and their staff for **Mount Pleasant Wines Pty Ltd** for the period 25 July 2020 to Execution of the DOCA, which is the basis of the Resolution 7 claim in section 3.2.6.

Task area	General description	Includes
Assets		<ul style="list-style-type: none"> • Liaise with HWLE and DOCA proponent's lawyers regarding DOCA proposal and finalising terms and conditions precedent • Reviewing the DOCA deed
		<ul style="list-style-type: none"> • Liaise with HWLE and DOCA proponent's lawyers regarding creditors trust deed • Reviewing the Trust deed
23.4 hours \$15,400.00 (excl GST)	DOCA	<ul style="list-style-type: none"> • Working on the DOCA proposal's various conditions precedent • Correspondence with shareholders regarding the transfer of shares to DOCA proponent • Ongoing discussions with DOCA proponent in relation to trading and operational matters • Ongoing discussions with DOCA proponent in relation to stocktake
Creditors	Secured creditor reporting and claim	<ul style="list-style-type: none"> • Ongoing monthly reporting to Gordon Brothers in relation to loan facility
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receive and respond to creditor enquiries regarding administration and sale update via telephone and email
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend • Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> • Prepare and lodged minutes of second meeting of creditors with ASIC
Administration		<ul style="list-style-type: none"> • Attend to media enquiries on an ongoing basis
5.0 hours \$2,500.00 (excl GST)	Media	<ul style="list-style-type: none"> • Review press releases and liaised with CEO in relation to same • Media strategy implemented generally
	Bank account administration	<ul style="list-style-type: none"> • Bank account reconciliations
	ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration

Schedule G – Resolution 15

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Deed Administrators and their staff for **McWilliam's Wines Group Ltd** for the period Execution of the DOCA to Completion of the DOCA, which is the basis of the Resolution 15 claim in section 3.2.7.

Task area	General description	Includes
	Debtors	<ul style="list-style-type: none"> Review MWG's debtor ledger Issue correspondence to debtors with outstanding amounts Engage debt collection agency to attend to debtor collections, if required Review claims by debtors for purported offsets
	Assets	<ul style="list-style-type: none"> Liaise with HWLE and DOCA proponent's lawyers regarding creditors trust deed Reviewing the Trust deed Working on the DOCA proposal's various conditions precedent Correspondence with shareholders regarding the transfer of shares to DOCA proponent Ongoing discussions with DOCA proponent in relation to trading and operational matters Ongoing discussions with DOCA proponent in relation to stocktake Attendance on site at Hanwood, Beelbanger and Mount Pleasant to facilitate stocktake Managing the Deed Fund Organise independent expert report as part of application to ASIC to seek relief under section 655A of the Act to permit the transfer of shares Liaise with HWLE regarding affidavits and court applications to see section 444GA order Liaise with lessors regarding continuation of leases Liaise with DOCA proponent in relation to the DOCA finalisation and establishment of creditors trust
218.3 hours		
\$115,514.00		
(excl GST)	Deed Fund	
	Secured creditor reporting and claim	<ul style="list-style-type: none"> Monthly reporting to Gordon Brothers in relation to loan facility Review Gordon Brothers loan facility and make assessments as to the timing of the final repayment of the facility
	Retention of Title Claims	<ul style="list-style-type: none"> Continue management of various PMSI and lien claims, updates to PPSR schedule and tracking of all secured claims in the Administration including liaising with parties to procure the release of securities
	Creditor reports	<ul style="list-style-type: none"> Prepare circulars and reports to creditors, on an as needed basis
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries regarding DOCA via email and telephone
	Transfer of claims	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend Liaising with creditors who did not provide a completed proof of debt
332.5 hours		
\$175,940.00		
(excl GST)		

Task area	General description	Includes
		<ul style="list-style-type: none"> Correspondence with creditors regarding release of claims against the Group and transfer of claims to Trust Fund
Employees	Employee enquiries	<ul style="list-style-type: none"> Discussions with various employees on an ad hoc basis throughout the Deed Administration Employee briefings from Deed Administrator via teleconference Correspondence to employees in relation to continuation of employment Preparing updated FAQs for employees where necessary
95.0 hours		
\$50,300.00		
(excl GST)	Calculation of entitlements	<ul style="list-style-type: none"> Review employee entitlements model Liaise with employees regarding calculation of entitlements including annual leave and long service leave components
		<ul style="list-style-type: none"> Discuss key trading issues with senior management including communications with suppliers Meeting with sales and marketing teams in relation to short term sales forecasts Review current promotional activities and ensured relevant information is being provided to Deed Administrators to approve spending in relation to ongoing promotions Ongoing weekly review of short term cash flow forecast, liaise with senior finance team in relation to same Review of weekly and monthly wages and ensure timely payment of same Ongoing review and approval of Purchase Orders Ongoing review and approval of Work Orders for production across various bottlers Review pruning schedule for owned and leased vineyards Prepare and authorise payment vouchers Detailed review of ongoing trading, budget and cash flow of the business and modelling cash flow Ensure SAIG Global audits completed Liaise with AJG regarding new administration status and seek guidance in relation to any changes to existing insurance cover and/or further insurance cover Liaise with DOCA proponent and their staff in relation to ongoing trading position, results and any issues encountered Fortnightly meetings to discuss ongoing trading with senior management, Deed proponent's representatives and Deed Administrators.
Trade on	Trade-on management	
910.0 hours		
\$481,700.00		
(excl GST)	Production, inventory and distributor review	<ul style="list-style-type: none"> Maintain production as per brand rationalisation review undertaken with CEO, sales and marketing teams in line with the Group's strategic plan with reduction in SKU's Oversee production and demand planning for the period of the Deed Administration Review and discuss with senior management the requirement to maintain adequate inventory levels

Task area	General description	Includes
	Employees	<ul style="list-style-type: none"> Review and process payroll each week for all employees for the Administration period Respond to queries regarding ongoing payroll issues Liaise with superannuation funds regarding contributions superannuation Liaise with OSR regarding payroll tax issues Liaise with management regarding contributions and termination of employment Organise monthly lodgment and remittance of PAYG and payroll tax
	Processing receipts and payments	<ul style="list-style-type: none"> Enter receipts and payments into accounting system Prepare weekly supplier batch payments Prepare urgent supplier payments as required Ensure international payments including telegraphic transfers were completed Receipts and payments reconciliations
	Cashflow and financial reporting	<ul style="list-style-type: none"> Sweep pre-appointment bank accounts Prepare cash flow forecasts under various scenarios to understand potential funding requirements Analyse cash flow and options under various scenarios to reflect varied levels of trading Establish cash flow monitoring activities for the Deed Administration phase which includes the development and maintenance of a cash flow forecast to sunset date Monitoring cash receipts on a daily occurrence and updating the cash flow model accordingly Review monthly management reporting information packages produced by senior management
	Media	<ul style="list-style-type: none"> Attend to media enquiries on an ongoing basis Media strategy implemented generally
	Shareholders	<ul style="list-style-type: none"> Liaise with various groups of shareholders and responded to their enquiries on an ongoing basis Liaise with shareholders regarding DOCA
	Administration	<ul style="list-style-type: none"> Organise for Deed Administrators bank account to be set up
	Bank account administration	<ul style="list-style-type: none"> Arrange for sweep of Voluntary Administrators surplus cash into Deed Administrators bank account Liaise with ANZ in relation to control of pre-appointment bank account Request bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
137.8 hours \$72,865.00 (excl GST)	ASIC forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms for end of Administration and end of Deed Administration
	ATO and other statutory reporting	<ul style="list-style-type: none"> Attended to 'business as usual' statutory tasks with the ATO including BAS preparation and other statutory tasks prescribed by the Act
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status / strategy of deed administration

Schedule H – Resolution 17

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Deed Administrators and their staff for **Mount Pleasant Wines Pty Ltd** for the period Execution of the DOCA to Completion of the DOCA, which is the basis of the Resolution 17 claim in section 3.2.8.

Task area	General description	Includes
Assets		<ul style="list-style-type: none"> • Liaise with HWLE and DOCA proponent's lawyers regarding creditors trust deed • Reviewing the Trust deed • Working on the DOCA proposal's various conditions precedent • Correspondence with shareholders regarding the transfer of shares to DOCA proponent • Ongoing discussions with DOCA proponent in relation to trading and operational matters • Ongoing discussions with DOCA proponent in relation to stocktake
	Deed Fund	<ul style="list-style-type: none"> • Attendance on site at Mount Pleasant to facilitate stocktake • Managing the Deed Fund • Organise independent expert report as part of application to ASIC to seek relief under section 655A of the Act to permit the transfer of shares • Liaise with HWLE regarding affidavits and court applications to see section 444GA order • Liaise with lessors regarding continuation of leases • Liaise with DOCA proponent in relation to the DOCA finalisation and establishment of creditors trust
Creditors	Secured creditor reporting and claim	<ul style="list-style-type: none"> • Monthly reporting to Gordon Brothers in relation to loan facility • Ongoing review Gordon Brothers loan facility and make assessments as to timing for final repayment
	Creditor reports	<ul style="list-style-type: none"> • Prepare circulars and reports to creditors, on an as needed basis
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> • Receive and respond to creditor enquiries regarding Deed Administration via telephone and email
	Transfer of claims	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend • Liaising with creditors who did not provide a completed proof of debt • Correspondence with creditors regarding release of claims against the Group and transfer of claims to Trust Fund
Administration	Media	<ul style="list-style-type: none"> • Attend to media enquiries on an ongoing basis • Media strategy implemented generally
	Bank account administration	<ul style="list-style-type: none"> • Organise for Deed Administrators bank account to be set up • Arrange for sweep of Voluntary Administrators surplus cash into Deed Administrators bank account • Bank account reconciliations
	ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms for end of Administration and end of Deed Administration

Task area	General description	Includes
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status / strategy of administration

Schedule I – Resolution 20

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Liquidators and their staff for **McWilliam's Wines Group Ltd** for the period Commencement of the Liquidation to Completion of the Liquidation, which is the basis of the Resolution 20 claim in section 3.2.9.

Task area	General description	Includes
Assets 329.2 hours \$159,300.00 (excl GST)	Sale of business/assets	<ul style="list-style-type: none"> Develop strategies to realise Group's assets including plant and equipment, real property, intellectual property and stock Liaise with interested parties Engage and liaise with agents for sale of assets Execution of documents to enable transfer of title for Group's assets Maintain insurance on assets until released Account for proceeds received from asset realisations Receipt and reconciliation of cash to be received in liquidation Liaise with internal tax professionals regarding tax implications of realization of assets
	Debtors	<ul style="list-style-type: none"> Review MWG's debtor ledger Issue correspondence to debtors with outstanding amounts Engage debt collection agency to attend to debtor collections, if required Review claims by debtors for purported offsets
Creditors 294.5 hours \$142,500.00 (excl GST)	Secured creditor reporting and claim	<ul style="list-style-type: none"> Monthly reporting to Gordon Brothers in relation to loan facility Ongoing review of Gordon Brothers loan facility and make assessments in relation to final repayment of the loan facility based on the Group's cash flow position
	Retention of Title Claims	<ul style="list-style-type: none"> Continue management of various PMSI and lien claims, updates to PPSR schedule and tracking of all secured claims Seeking release of securities and attending to PMSI and lien claims as necessary
	PPSR	<ul style="list-style-type: none"> Disclaim any leases that are no longer required as a result of closure of the business Liaise with relevant parties regarding their claim values
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries regarding liquidation via email and telephone
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend Detailed assessment of all contingent creditor claims to be lodged in the liquidation Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> Prepare and lodge minutes of second meeting of creditors with ASIC Prepare for potential COI/creditors meetings, as required

Task area	General description	Includes
Employees 124.0 hours \$60,250.00 (excl GST)	Creditor reports	<ul style="list-style-type: none"> • Prepare statutory report by Liquidators and issue report to all creditors • Prepare other reports or circulars to creditors as required
	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone • Issue correspondence to employees regarding Group entering Liquidation • Issue correspondence to employees regarding closure of the business
	Calculation of entitlements	<ul style="list-style-type: none"> • Review employee entitlements model • Liaise with employees regarding calculation of entitlements including annual leave and long service leave components • Calculate and confirm final entitlements owed to each employee • Liaise with HWLE regarding entitlements
	Employee dividend	<ul style="list-style-type: none"> • Prepare and review correspondence to employees requiring their claims in the Liquidation • Liaise with employees who dispute their entitlements value • Correspondence with ATO regarding SGC proof of debt and calculation of any administration fees and general interest charges • Prepare payment of SGC and other employee entitlements including calculation of any PAYG withholding required • Remit PAYG to ATO
	Workers compensation claims	<ul style="list-style-type: none"> • Review any workers compensation claims as necessary
	Trade-on management	<ul style="list-style-type: none"> • Liaise with creditors, suppliers, lessors regarding closure of the business as a result of Liquidation • Liaise with senior management team regarding logistics of closure of the business • Address any trade on issues that arise from the closure of the business • Consider ongoing trade on matters required for the highest realisation of MWG assets
Trade on 124.0 hours \$60,000.00 (excl GST)	Employees	<ul style="list-style-type: none"> • Review and process payroll each week for any employees retained for a period of the Liquidation • Respond to queries regarding ongoing payroll issues • Liaise with superannuation funds regarding contributions superannuation • Liaise with OSR regarding payroll tax issues • Liaise with management regarding contributions and termination of employment • Organise monthly lodgment and remittance of PAYG and payroll tax

Task area	General description	Includes
		<ul style="list-style-type: none"> Finalise any wage reporting requirements for FY20 and FY21 Liaise with employees regarding and outstanding employee entitlements
	Processing receipts and payments	<ul style="list-style-type: none"> Enter receipts and payments into accounting system Prepare payment of any outstanding supplier invoices relating to the Administration period Receipts and payments reconciliations
	Investigation	<ul style="list-style-type: none"> Review Group's books and records Further investigations as necessary including reviewing specific transactions and liaising with directors regarding certain transactions Preparation of detailed investigation file Lodgement of investigation with ASIC Identification of potential voidable transactions and internal discussions to determine strategy to pursue recoveries Preparation and lodgement of supplementary report if required
	117.8 hours \$57,237.50 (excl GST)	
	Litigation / recoveries, if required	<ul style="list-style-type: none"> Internal meetings to discuss status of litigation Prepare brief to solicitors Liaise with solicitors regarding recovery actions Attend to negotiations Attend to settlement matters
	ASIC reporting	<ul style="list-style-type: none"> Preparing statutory investigation reports Preparing affidavits seeking non-lodgement assistance Liaising with ASIC
	Processing proofs of debt	<ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting lodgement of proofs of debt Receipt of proofs of debt Maintain proof of debt register Adjudicating proofs of debt Request further information from claimants regarding proofs of debt Preparation of correspondence to claimant advising outcome of adjudication
	Dividend	
	368.1 hours \$178,125.00 (excl GST)	
	Dividend procedures	<ul style="list-style-type: none"> Preparation of correspondence to creditors advising of intention to declare dividend Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of Company's assets Preparation of dividend calculations Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend

Task area	General description	Includes
Administration		<ul style="list-style-type: none"> Preparation of correspondence to creditors enclosing payment of dividend
	Media	<ul style="list-style-type: none"> Attend to media enquiries on an ongoing basis Media strategy implemented generally
	Shareholders	<ul style="list-style-type: none"> Liaise with various groups of shareholders and responded to their enquiries on an ongoing basis Liaise with shareholders regarding liquidation
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence for Liquidators' bank account to be set up Liaise with ANZ in relation to control of pre-appointment bank account Request bank statements Bank account reconciliations Correspondence with bank regarding specific transfers Arrange for closure of all MWG bank accounts including liquidators bank account
	ASIC forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms for end of Administration, appointment of liquidators and other forms in relation to liquidation of the Group
	ATO and other statutory reporting	<ul style="list-style-type: none"> Attended to 'business as usual' statutory tasks with the ATO including BAS preparation and other statutory tasks prescribed by the Act
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status / strategy of deed administration
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP Liaise with ANZ and Macquarie regarding closure of all bank accounts
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage
34.0 hours \$20,900.00 (excl GST)		

Schedule J – Resolution 22

The below table contains more detailed descriptions of the tasks to be performed within each task area by the Liquidators and their staff for **Mount Pleasant Wines Pty Ltd** for the period Commencement of the Liquidation to Completion of the Liquidation, which is the basis of the Resolution 22 claim in section 3.2.10.

Task area	General description	Includes
Assets		<ul style="list-style-type: none"> Develop strategies to realise Group's assets including plant and equipment, real property, intellectual property and stock Liaise with interested parties Engage and liaise with agents for sale of assets
	104.8 hours \$50,700.00 (excl GST)	Sale of business/assets <ul style="list-style-type: none"> Execution of documents to enable transfer of title for Group's assets Maintain insurance on assets until released Account for proceeds received from asset realisations Receipt and reconciliation of cash to be received in liquidation Liaise with internal tax professionals regarding tax implications of realization of assets
Creditors	Secured creditor reporting and claim	<ul style="list-style-type: none"> Monthly reporting to Gordon Brothers in relation to loan facility Ongoing review of Gordon Brothers loan facility and make assessments in relation to final repayment of the loan facility based on the Group's cash flow position
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> Receive and respond to creditor enquiries regarding liquidation via email and telephone
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend Liaising with creditors who did not provide a completed proof of debt
	Meeting of creditors	<ul style="list-style-type: none"> Prepare and lodge minutes of second meeting of creditors with ASIC Prepare for potential COI/creditors meetings, as required
	Creditor reports	<ul style="list-style-type: none"> Prepare statutory report by Liquidators and issue report to all creditors Prepare other reports or circulars to creditors as required
Investigation	Conducting investigation	<ul style="list-style-type: none"> Review Group's books and records Further investigations as necessary including reviewing specific transactions and liaising with directors regarding certain transactions Preparation of investigation file Lodgement of investigation with ASIC Identification of potential voidable transactions and internal discussions to determine strategy to pursue recoveries Preparation and lodgement of supplementary report if required
	Litigation / recoveries, if required	<ul style="list-style-type: none"> Internal meetings to discuss status of litigation Prepare brief to solicitors

Task area	General description	Includes
		<ul style="list-style-type: none"> • Liaise with solicitors regarding recovery actions • Attend to negotiations • Attend to settlement matters
	ASIC reporting	<ul style="list-style-type: none"> • Preparing statutory investigation reports • Preparing affidavits seeking non-lodgement assistance • Liaising with ASIC
	Processing proofs of debt	<ul style="list-style-type: none"> • Preparation of correspondence to potential creditors inviting lodgement of proofs of debt • Receipt of proofs of debt • Maintain proof of debt register • Adjudicating proofs of debt • Request further information from claimants regarding proofs of debt • Preparation of correspondence to claimant advising outcome of adjudication
	Dividend	
	19.4 hours \$9,375.00 (excl GST)	<ul style="list-style-type: none"> • Preparation of correspondence to creditors advising of intention to declare dividend • Advertisement of intention to declare dividend • Obtain clearance from ATO to allow distribution of Company's assets • Preparation of dividend calculations • Preparation of correspondence to creditors announcing declaration of dividend • Advertise announcement of dividend • Preparation of distribution • Preparation of dividend file • Preparation of payment vouchers to pay dividend • Preparation of correspondence to creditors enclosing payment of dividend
Administration	Media	<ul style="list-style-type: none"> • Attend to media enquiries on an ongoing basis • Media strategy implemented generally
	Bank account administration	<ul style="list-style-type: none"> • Preparing correspondence for Liquidators' bank account to be set up • Liaise with ANZ in relation to control of pre-appointment bank account • Request bank statements • Bank account reconciliations • Correspondence with bank regarding specific transfers • Arrange for closure of all MWG bank accounts including liquidators bank account
	ASIC forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms for end of Administration, appointment of liquidators and other forms in relation to liquidation of the Group
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of deed administration
	Finalisation	<ul style="list-style-type: none"> • Completing checklists • Finalising WIP

Task area	General description	Includes
		<ul style="list-style-type: none"> • Liaise with Macquarie regarding closure of all bank accounts
	Books and records / storage	<ul style="list-style-type: none"> • Dealing with records in storage • Sending job files to storage

G – ARITA creditor information sheet

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

Voidable Transactions

Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

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AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

Unreasonable payments to directors

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

Insolvent Trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

H – Draft DOCA and Draft Creditors' Trust

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Deed of Company Arrangement

McWilliam's Wines Group Ltd (ACN 000 024 108)
(Administrators Appointed) and Mount Pleasant Wines
Pty Ltd (ACN 000 024 813) (Administrators
Appointed) (collectively, the **Deed Companies**)

Gayle Dickerson, Ryan Reginald Eagle and Timothy
David Mableson in their capacity as joint and several
administrators of the Deed Companies
(**Administrators**)

MCW BidCo Pty Ltd (ACN 642 488 524) (**Deed
Proponent**)

Deed of Company Arrangement

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Details

Date

Parties

Name	McWilliam's Wines Group Ltd (ACN 000 024 108) (Administrators Appointed)
Short form name	McWilliam's
Notice details	C/- KPMG, Tower Three International Towers Sydney, 300 Barangaroo Avenue, Sydney NSW, 2000 timableson@kpmg.com.au

Name	Mount Pleasant Wines Pty Ltd (ACN 000 024 813) (Administrators Appointed)
Short form name	Mt Pleasant
Notice details	C/- KPMG, Tower Three International Towers Sydney, 300 Barangaroo Avenue, Sydney NSW, 2000 timableson@kpmg.com.au

Name	Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mableson in their capacity as joint and several administrators of the Deed Companies
Short form name	Administrators
Notice details	KPMG, Tower Three International Towers Sydney, 300 Barangaroo Avenue, Sydney NSW, 2000 timableson@kpmg.com.au

Name	MCW BidCo Pty Ltd (ACN 642 488 524)
Short form name	Deed Proponent
Notice details	Level 27, 101 Collins St, Melbourne, VIC, 3000 charles@prcstnt.com

Background

- A On the Appointment Date the Deed Companies entered into voluntary administration.
- B The Administrators received a proposal from the Deed Proponent for a deed of company arrangement.
- C On [21 July 2020] at meetings of the Deed Companies' respective creditors held pursuant to section 439A(1) of the Act, the creditors of each Deed Company resolved, amongst other things,

that the Deed Company should execute a deed of company arrangement and McWilliams Creditors Trust Deed on terms substantially in the form of this Deed.

- D This Deed has been prepared in compliance with the Administrators' obligations pursuant to section 444A(3) of the Act.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this Deed, unless the contrary intention appears:

Act means the *Corporations Act 2001* (Cth).

Administration Liabilities means all amounts, debts, liabilities, actions, suits, proceedings, accounts, claims, damages, awards and judgments in respect of which the Administrators and Deed Administrators are entitled to be indemnified under this Deed and includes Trading Liabilities.

Administration Period means the period of time commencing on the Appointment Date and concluding on the Commencement Date.

Administrators means Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mablesen in their capacity as joint and several administrators of the Deed Companies.

Admitted Creditor means a person whose claim has been admitted in part or in whole by the Deed Administrators in accordance with the provisions of this Deed.

Appointment Date means 8 January 2020.

ASIC means the Australian Securities and Investments Commission.

Base Cash Amount means:

- (a) the cash which, as at the Commencement Date, stands to the credit of the Deed Companies' accounts (including in the Deed Administrators' Accounts and otherwise);
- (b) plus all receipts of cash prior to Completion which relate to rights or claims of the Deed Companies which arose on or before the Commencement Date;
- (c) minus:
 - (i) Trading Liabilities incurred during or which relate to the period beginning on the Appointment Date and ending on the Commencement Date; and
 - (ii) any Employee Priority Claims of terminated employees which are paid on or prior to Completion.

Bulk Stock has the meaning given in paragraph 9(a) of Schedule 6.

Business means the businesses operated by the Deed Companies, including but not limited to the production and wholesale of bulk and bottled wine.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales.

Business Hours means the hours between 9.00am and 5.00pm on a Business Day.

Calculation Time means 11.59pm on the day before the Implementation Date or such other time and date as agreed between the Deed Administrators and the Deed Proponent in writing.

Claim means all actions, claims, suits, causes of action, debt owing (whether then, now, in the future or contingently) by, or a claim subsisting against, a Deed Company in favour of a person irrespective of whether the debt or claim arose by virtue of contract, at law, in equity or otherwise and including (without limitation):

- (a) a claim sounding in damages;
- (b) a debt or claim arising pursuant to any guarantee;
- (c) a debt or claim of an Owner; and
- (d) all debts or claims provable in a winding up of the Deed Company pursuant to section 553 of the Act,

in each case arising out of any agreement, circumstance or event occurring before the Appointment Date, but excluding the Excluded Claims.

Commencement Date means the date that this Deed is executed by the Deed Administrators, McWilliam's, Mt Pleasant and the Deed Proponent.

Completion means completion of the implementation steps described in clauses 7.2 to 7.5 in accordance with clause 7.8

Completion Date means the date on which the last of the steps described in clauses 7.2 to 7.5 to give effect to Completion has occurred.

Completion Stock Value has the meaning given in clause 16.2(b).

Conditions Precedent means each of the conditions to Completion set out in clause 6.1.

Continuing Contract Claim means, in respect of an Excluded Contract, each action, claim, suit, or cause of action subsisting against, or debt owing by, a Deed Company, irrespective of whether the debt or claim arose by virtue of contract, at law, in equity or otherwise:

- (a) for an amount that was due and owing prior to the Commencement Date; or
- (b) for an amount that is or was payable under the Excluded Contract in relation to any period that ends on or before the Commencement Date; or
- (c) arising from any event of default or breach by the relevant Deed Company of the Excluded Contract which occurred on or prior to the Commencement Date or which may occur during the Deed Period, insofar as the counterparty to the Excluded Contract would be entitled to terminate the Excluded Contract (including for the avoidance of doubt, any event of default or breach relating to the appointment of administrators and/or deed administrators to the Deed Company); or
- (d) arising from any event of default or breach by the relevant Deed Company of the Excluded Contract which occurred due to the change of control of the Deed Company occurring as a consequence of Completion,

in each case unless the relevant counterparty has agreed with the Deed Company and the Deed Proponent otherwise in writing in respect of that Excluded Contract.

Continuing Employee means a person who remains employed by a Deed Company as at the Implementation Date.

Continuing Lease means:

- (a) each lease and licence to occupy specified in Schedule 3; and

- (b) any other lease and licence to occupy which is agreed to be a Continuing Lease by the Deed Administrators and the Deed Proponent.

Continuing Lease Claim means, in respect of a Continuing Lease, each action, claim, suit, cause of action, or a claim subsisting against, or debt owing by, a Deed Company, irrespective of whether the debt or claim arose by virtue of contract, at law, in equity or otherwise:

- (a) for an amount that was due and owing prior to the Commencement Date; or
- (b) for an amount for rent and other amounts payable under the Continuing Lease in relation to the period that starts on the Appointment Date and ends on the date that is 5 Business Days after the Appointment Date or such later date from which the Administrators have personal liability by reason of 443B of the Act; or
- (c) arising from any event of default or breach by the relevant Deed Company of the Continuing Lease which occurred on or prior to the Commencement Date or which may occur during the Deed Period, insofar as the counterparty to the Continuing Lease would be entitled to terminate the Continuing Lease (including for the avoidance of doubt, any event of default or breach relating to the appointment of administrators and/or deed administrators to the Deed Company); or
- (d) arising from any event of default or breach by the relevant Deed Company of the Continuing Lease which occurred due to the change of control of the Deed Company occurring as a consequence of Completion,

in each case unless the relevant counterparty has agreed with the Deed Company and the Deed Proponent otherwise in writing in respect of that Continuing Lease.

Costs means costs, charges, fees, government charges, taxes and expenses incurred in connection with the performance of the Administrators' and Deed Administrators' duties, obligations and responsibilities under the Act or this Deed during the Administration Period or the DOCA Period, but does not include Administration Liabilities.

Court or **court** means any court having jurisdiction to hear and determine matters under the Act.

Creditor means any person with either a Claim or an Excluded Claim.

Creditors' Trust Deed means the McWilliam's Creditors' Trust Deed in the form incorporated in Annexure B to be entered into between each Deed Company and Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mableson in their capacities as joint and several trustees of the Trust created by the Creditors' Trust Deed.

Customer Assets means any assets owned by a customer of the Business or a third party and held by McWilliam's on behalf of a customer of the Business or a third party, including:

- (a) any wine, fortified wine and juice owned by any third parties; and
- (b) the fortified wine owned by Make Wines and stored at Beelbangera Winery, Winery Road, Beelbangera New South Wales in accordance with the Make Wines Storage Agreement.

Deed means this deed, including as amended from time to time.

Deed Administrators means Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mableson in their capacities as joint and several administrators of this Deed.

Deed Administrators' Account means an Australian dollar denominated account operated and specified by the Deed Administrators for each Deed Company.

Deed Administration Period means the period commencing on the Commencement Date and concluding on Completion.

Deed Companies means McWilliam's and Mt Pleasant.

Directors means the directors of the Deed Companies from time to time.

Dispute has the meaning given in clause 16.4(b).

Disputed Matter has the meaning given in clause 16.5(a).

Dispute Notice has the meaning given in clause 16.4(b).

DOCA Period means the period commencing on the Commencement Date and ending on the DOCA Termination Date.

Disputed Stock Amount has the meaning given in clause 16.4(b)(ii).

DOCA Termination Date means the date on which this Deed terminates in accordance with clause 21.2.

Employee means a person employed by a Deed Company as at the Appointment Date.

Employee Priority Claim means a Claim of an Employee, other than an Excluded Superannuation Debt, that would be entitled to be paid in priority to the payment of the other unsecured Claims under section 556 of the Act if the Deed Company was taken to be in liquidation on the Appointment Date.

Encumbrance means any of the following:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power, or title retention or flawed deposit arrangement and any 'security interest' as defined in sections 12(1) or (2) of the PPSA; or
- (b) any right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) any right that a person (other than an owner) has to remove something from land, easement, public right of way, restrictive or positive covenant, lease or licence to use or occupy; or
- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

Enforcement Process has the meaning given in the Act.

Escrow Deed means the escrow deed in a form satisfactory to each party to it to be entered into by the Deed Proponent, the Deed Administrators and the Escrow Agent in relation to the Disputed Stock Amount.

Escrow Agent means Colliers International (NSW) Pty Ltd.

Excluded Claim means any:

- (a) Claim (as that term is defined, but for the exception of Excluded Claim) arising under an Excluded Contract other than a Continuing Contract Claim (a **Prospective Contract Claim**);
- (b) Claim (as that term is defined, but for the exception of Excluded Claim) arising under a Continuing Lease other than a Continuing Lease Claim (a **Prospective Lease Claim**);
- (c) Claim (as that term is defined, but for the exception of Excluded Claim) in respect of which the Creditor has agreed in writing with the Deed Proponent and the Administrators or Deed Administrators to not participate in distributions from the Trust Fund (an **Agreed Excluded Claim**); or
- (a) an Insured Claim, to the extent that clause 15.2(a) does not apply.

For the avoidance of doubt, an Excluded Claim does not include a Continuing Lease Claim or a Continuing Contract Claim or an Insured Claim to the extent the Creditor is unable to seek or obtain payment from the insurer in accordance with clause 15.2.

Excluded Contract means each and any of the following:

- (a) any contract set out in Schedule 1, provided that prior to Completion the relevant Creditor has not terminated, exercised any right to terminate the relevant contract or any other default right arising as a consequence of the appointment of the Administrators to a Deed Company, or any other insolvency event in respect of the Deed Company, or otherwise; and
- (b) any other contract which the Deed Administrators and the Deed Proponent agree in writing is an Excluded Contract.

Excluded Creditor means a Creditor in respect of an Excluded Claim.

Excluded Stock means:

- (a) any stock that is branded with, or is to be branded with, and sold under a trade mark other than the Trade Marks including stock that is branded with, or is to be branded with, and sold under the following trade marks:
 - (i) Evans & Tate;
 - (ii) Brands Laira;
 - (iii) Lilydale;including without limitation the stock set out in Schedule 5;
- (b) all Subject Stock; and
- (c) all Customer Assets.

Excluded Superannuation Debt means a Superannuation Contribution in respect of which the Deed Administrators make a determination under clauses 14.1(c) and 14.1(d).

Expert has the meaning given in clause 16.5(a).

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

FIRB means the Foreign Investment Review Board.

Finished Goods Stock has the meaning given in paragraph 9(b) of Schedule 6.

Fund Amount means an amount calculated as the aggregate of the sum of:

- (a) the Base Cash Amount; plus
- (b) the Trading Profit Amount; plus
- (c) the Top Up Cash Amount; plus
- (d) any amounts paid to the Trustees under clauses 16.4(d), 16.4(g) or 16.4(h).

Gallo means E. & J. Gallo Winery of 600 Yosemite Boulevard, Modesto, California 95354 United States of America.

Gallo Debt means the amounts owing by McWilliam's to Gallo under the deed of redemption and payment between Gallo and McWilliam's dated 29 September 2014 as amended from time to time.

Governmental Agency means:

- (a) government, whether foreign, federal, state, provincial, territorial or local;

- (b) a department, office, or minister of a government acting in that capacity; or
- (c) a commission, delegate, instrumentality, agency, board or other governmental or semi-governmental, judicial, administrative, monetary or fiscal authority, whether statutory or not.

GST has the meaning given to that expression in the GST Law.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the meaning given to that expression in the GST Act.

Key Employees means each of:

- (a) David Pitt, chief executive officer;
- (b) Beverly Lennox, chief financial officer;
- (c) Ross Lyman, head of supply and operations; and
- (d) Scott McWilliam, business development manager, senior winemaker, family ambassador.

Implementation Date means the fifth Business Day after the satisfaction or waiver of the Conditions Precedent in accordance with this Deed, or such other date as is agreed in writing between the Deed Administrators and the Deed Proponent before the end of that period.

Insolvency Practice Rules means the *Insolvency Practice Rules (Corporations) 2016* (Cth).

Insolvency Practice Schedule means Schedule 2 (the Insolvency Practice Schedule) to the Act.

Insured Claim means a Claim (as that term is defined, but for the exception of Excluded Claim) which a Creditor has against a Deed Company, which would have been entitled to priority in a liquidation of the Deed Company under section 562 of the Act, where:

- (a) the Claim is otherwise not an Excluded Claim;
- (b) that Deed Company is insured against the Claim under a contract of insurance (not being a contract of reinsurance) entered into before the Appointment Date; and
- (c) an amount in respect of that Claim would be payable by the insurer to the Deed Company under the contract of insurance,

but only to the extent of such part of the Claim as would be discharged by payment from the insurer and provided that the Creditor complies with the requirements of clause 15 in connection with such claim.

Interest means the interest actually earned on the Disputed Stock Amount less all stamp and other duty, bank charges and any other withholdings or money properly payable in respect of the investment of the Disputed Stock Amount.

Leave Benefits has the meaning given in clause 14.2(b).

Leave Benefits Amount means, in relation to all Continuing Employees, 70% of the aggregate of the following types of leave liabilities:

- (a) annual leave and leave loading; and
- (b) long service leave (in respect of Employees with in excess of five years of continuous employment with the Deed Companies),

accrued and unpaid as at the Calculation Time.

Liability means any liability or obligation (whether actual, contingent or prospective), including for any Loss of whatever description irrespective of when the acts, events or things giving rise to the liability or obligation occurred.

Loss includes any loss, damage, cost, Claim, liability or expense.

M&G means M&G Brands Limited, a Cayman Islands exempted company.

M&G Assignment means a deed of assignment between Gallo, M&G and McWilliam's in a form satisfactory to each party to it, acting reasonably, under which, subject to payment by McWilliam's of the Gallo Debt to Gallo, M&G assigns absolutely the M&G Trade Marks to McWilliam's with effect from Completion.

M&G Trade Marks means the trade marks in Schedule 4 being trade marks used in connection with the Business and that are owned by and registered in the name of M&G.

Make Wines Storage Agreement means the wine bulk sale and storage agreement between McWilliam's and Make Wines Australia Pty Ltd (ABN 73 155 635 993) dated 14 August 2014.

McWilliam's Accounts means the most recent unaudited monthly management accounts of McWilliams available at the applicable time.

Meeting means the meetings of creditors of the Deed Companies convened and held pursuant to section 439A(1) of the Act at which it was resolved that the Deed Companies execute a DOCA reflecting the terms of this Deed proposed by the Deed Proponent.

Member has the meaning as defined in section 9 of the Act.

Net Realisable Value means, in respect of Stock, the selling price less costs required to be incurred to sell that Stock item.

New Directors means the new directors to be nominated by the Deed Proponent to the Deed Administrators no later than five Business Days prior to the Implementation Date.

New Shareholder means the Deed Proponent or another person or entity notified by the Deed Proponent to the Administrators or Deed Administrators no later than five Business Days prior to the Implementation Date.

Non Releasing Securities means the securities over assets of the Deed Companies or either of them identified in Schedule 2 that may be, but are not required to be, released prior to Completion.

Officer means each person that is, from time to time, an officer of a company within the meaning of section 9 of the Act.

Owner means any person who is the legal or beneficial owner of property in the possession of the Deed Company at the date of execution of this Deed which includes a person with a retention of title claim over property in the possession of the Deed Company established to the satisfaction of the Deed Administrators.

PPSA means the *Personal Property Securities Act 2009* (Cth), as amended from time to time.

PPSR means the Personal Property Securities Register maintained under the PPSA.

Prescribed Provisions means the provisions prescribed by section 444A(5) of the Act and as contained in Schedule 8A of the Regulations.

Properties means the properties owned or leased by the Deed Companies.

Receivables means trade debts and other receivables owed to the Deed Companies in respect of the Business in relation to the period prior to Completion or as at Completion.

Regulations means the *Corporations Regulations 2001* (Cth).

Related Body Corporate has the meaning defined in section 50 of the Act.

Releasing Securities means all securities over assets of the Deed Companies or either of them in respect of which financing statements have been registered on the PPSR excluding the Non Releasing Securities identified in Schedule 2.

Remuneration means the remuneration payable to the Administrators or Deed Administrators for work performed by them, their partners, employees or agents with respect to acting as administrators of the Deed Companies or as administrators of this Deed as determined in accordance with section 60-5 and section 60-10 of the Insolvency Practice Schedule.

Representatives means in relation to a person or entity, its officers, employees, contractors, agents, advisers or financiers.

Section 444GA Application means the application to be commenced in Court by the Deed Administrators to seek leave of the Court pursuant to section 444GA(1)(b) of the Act for the transfer of the Shares to the New Shareholder free of any Encumbrances or Security Interests, for the avoidance of doubt without any payments being made by the Deed Proponent or the New Shareholder other than those required to be made under this Deed.

Section 444GA Order means an order of the Court granting the leave sought in the Section 444GA Application.

Secured Creditor means any Creditor holding a Security Interest over any property of the Deed Companies.

Security means any mortgage, chattel mortgage, caveat, pledge, charge, agreement, encumbrance, lien, right of set-off (arising otherwise than by operation of law or as a result of a banker's right to combine accounts) and assignment which provides for and secures the payment of any debt or monetary liability or the performance of any obligation and any 'security interest' as defined in subsections 12(1) or 12(2) of the PPSA.

Security Interest means any mortgage, charge, lien or pledge as security for the payment or repayment of a monetary obligation or the observance of any other obligation.

Share Register means the share register of McWilliam's.

Share Transfer means a duly completed share transfer, executed on behalf of McWilliam's Shareholders by the Deed Administrators.

Shares means 100% of the capital on issue in McWilliam's.

Stamp Duty means any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency, and includes any interest, fine, penalty, charge or other amount in respect of any of them.

Stock means stock and inventory owned by McWilliam's, including raw materials, components, finished goods, packaging and promotional materials, spare parts, consumables, Finished Goods Stock, Bulk Stock and other stock in trade of McWilliam's including goods in transit and stock ordered by and paid for by McWilliam's before the date of this Deed, but excluding:

- (a) inventory on consignment which is stored on any premises used by the Business but which inventory is not owned by McWilliam's, including any Customer Assets; and
- (b) the Excluded Stock.

Subject Stock means any Stock that is the subject of or impacted by a Third Party IP Claim that has not been irrevocably withdrawn, dismissed, settled, compromised, determined or resolved (through court proceedings, arbitration, mediation, agreement or otherwise) on or prior to the date on which the stocktake referred to in clause 16.1 commences.

Sub-Ledger means McWilliam's inventory system that records and tracks opening and closing inventory by stock keeping unit (SKU) from grapes into finished goods and integrates with the general ledger maintained in the management accounting system.

Sunset Date means 30 November 2020 or such later date as is agreed in writing between the Deed Proponent and the Deed Administrators.

Superannuation Contribution means a contribution payable by a Deed Company to a fund for the purposes of making provision for, or obtaining, superannuation benefits for an Employee, or for dependents of such an Employee.

Superannuation Debt has the meaning given to that term in clause 14.1(c).

Superannuation Guarantee Charge means a charge imposed by the *Superannuation Guarantee Charge Act 1992* (Cth).

Superannuation Liability has the meaning given in clause 14.2(a).

Taittinger means Taittinger Compagnie Commerciale et Viticole Champenoise, a French limited company, having its registered offices in Reims (51100 France) at 9, Place Saint-Nicaise and registered under number 440 171 528 RCS Reims.

Taittinger Distribution Agreement means the distribution agreement entered into by McWilliam's and Taittinger dated 11 October 2007.

Taittinger Stock means any Stock supplied to McWilliam's by Taittinger under the Taittinger Distribution Agreement.

Tax means any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Governmental Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Stamp Duty.

Third Party any person or entity (including a Governmental Agency) other than the Deed Proponent or its Related Body Corporate.

Third Party IP Claims means a claim, demand, objection, or cause of action asserted by a Third Party (including any Governmental Agency) against, or in respect of which a Deed Company is a party, existing at the time the stocktake is commenced in accordance with clause 16.1:

- (a) concerning the historic, continuing or future use of the Trademarks by a Deed Company; or
- (b) concerning the alleged infringement by a Deed Company of any intellectual property rights in connection with the Trademarks,

and which if determined in favour of the Third Party would or may restrict the Deed Company from, on and with effect from Completion:

- (c) selling Stock that is sold under, or branded with, the Trademarks; or
- (d) producing, selling or otherwise dealing with stock that is produced to be sold under or branded with, the Trademarks.

Top Up Cash Amount means:

- (a) the amount of \$30 million; plus
- (b) the amount payable by the Deed Proponent on the Implementation Date under clause 16.2(d) or clause 16.4(b)(i), whichever is applicable; minus
- (c) the Leave Benefits Amount.

Trademarks means the following unregistered trademarks:

- (a) WINEMAKERS CUT;
- (b) EIGHT ACRES; and
- (c) On The Grapevine.

Trading Profit Amount means:

- (a) all receipts of cash prior to Completion which relate to rights or claims of the Deed Companies which arose after the Commencement Date; and
- (b) minus
 - (i) all Remuneration and Costs which have been incurred and paid during the period from the Appointment Date until the Completion Date; and
 - (ii) all Trading Liabilities.

Trading Liabilities means all liabilities, costs and expenses of the Administrators incurred in connection with operating the business of the Administration Companies during the Administration Period and/or the Deed Administration Period (as the case may be), including in connection with the payment of suppliers for debts and which the Administrators or Deed Administrators determine need to be paid.

Transition Group Meeting has the meaning given in clause 9.4(b)(i).

Trust means the Creditors' Trust to be established under the Creditors' Trust Deed.

Trust Creditors means all Creditors other than Excluded Creditors and:

- (a) for the avoidance of doubt:
 - (i) includes any Excluded Creditors in their capacity as Creditors with Claims; and
 - (ii) excludes Excluded Creditors in their capacity as Creditors with Excluded Claims;
- (b) for the avoidance of doubt includes Employee Creditors to the extent that an Employee Creditor has an Employee Priority Claim which has not been paid in full; and
- (c) includes the Administrators and Deed Administrators.

Trust Fund will be defined in the Creditors' Trust Deed.

Trustees means the trustees of the Creditors' Trust established under the Creditors' Trust Deed.

Trustees' Costs will be defined in the Creditors' Trust Deed.

Trustees' Remuneration will be defined in the Creditors' Trust Deed.

1.2 Interpretation

In this Deed, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule, as the case may be, of this Deed as amended, substituted, novated, supplemented, varied or replaced with the agreement of the parties and in force at any relevant time;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;

- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this Deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, reenactments or replacements of any of them;
- (j) a word or expression defined in the Act has the meaning given to it in the Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this Deed or any part of it;
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day;
- (p) a construction that would promote the purpose or object underlying this Deed (whether or not stated in this Deed) is to be preferred to a construction that would not promote that purpose or object;
- (q) a function or power of the Deed Administrators may be performed or exercised by any one of them or by all of them together;
- (r) a reference to any thing (including any right) includes a part of that thing, but nothing in this clause 1.2(r) implies that performance of part of an obligation constitutes performance of the obligation; and
- (s) the words 'include', 'including', 'for example', 'such as' or any form of those words or similar expressions in this Deed do not limit what else is included and must be construed as if they are followed by the words 'without limitation', unless there is express wording to the contrary.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Recitals

The recitals, outlined under the heading 'Background', are incorporated into and form part of this Deed.

2. Object and Operation

2.1 Object

This Deed has the objective of achieving a better return to the Creditors than would exist in a winding up of the Company, and to maximise the chances of the Deed Companies and their Business continuing in existence.

2.2 Operation

This Deed will commence and take effect on the Commencement Date.

2.3 Interim Effect

To the extent that a person would be bound by this Deed if it had already been executed, the person must not, at any time after a resolution is passed at the Meeting but before the Commencement Date, do anything inconsistent with the terms of this Deed, except with the leave of the Court.

2.3 Deed Administrators

- (a) The Administrators are to be the deed administrators of this Deed.
- (b) The Administrators consent to their appointment as Deed Administrators of this Deed.

3. Prescribed and Required Provisions

3.1 Prescribed Provisions

Notwithstanding clause 3.2 of the Deed, the Prescribed Provisions are expressly excluded from this Deed, except to the extent that they are expressly included.

3.2 Required Provisions

To the extent that the Act requires any provision to be included in this Deed which is not expressly included in this Deed (with the exception of matters referred to at clause 3.1), such provision will be deemed to be included in this Deed, and all persons bound by this Deed agree to sign all documents and do all things necessary to include such a provision in this Deed, the costs of which will be borne by the Deed Companies.

4. Relief from Takeovers Provisions

4.1 Takeovers Relief

It is acknowledged that:

- (a) ASIC relief from the takeover provisions in Chapter 6 of the Act is required to facilitate a transfer of 100% of the Shares; and
- (b) as a condition of granting relief, ASIC may require the Deed Administrators to provide an independent expert report (**IER**) prepared in accordance with ASIC Regulatory Guide 111.

4.2 Timing of Application

- (a) Within five business days of the execution of this Deed, the Deed Administrators will commission the preparation of the IER.

- (b) Within five business days after receipt of the IER, the Deed Administrators will make an application to ASIC seeking relief from section 606 of the Act in order for 100% of the Shares to be transferred by the Deed Administrators to the New Shareholder pursuant to section 444GA of the Act.

5. Section 444GA Application

5.1 Timing of Application

- (a) Within five business days after receipt of the IER, the Deed Administrators will make the Section 444GA Application.
- (b) It is acknowledged that:
 - (i) the Section 444GA Application will involve the Deed Administrators, among other things:
 - (A) filing an originating process and supporting affidavit/s; and
 - (B) publishing information concerning the Section 444GA Application on a webpage maintained by the Deed Administrators' firm and otherwise giving notice of the Section 444GA Application to Members of McWilliam's;
 - (ii) Members and other interested persons are entitled to make submissions to the Court in respect of the Section 444GA Application if they wish to do so; and
 - (iii) the Court may only make the orders sought if it is satisfied that the transfer of Shares would not unfairly prejudice the interests of Members of McWilliam's.

6. Conditions precedent to Completion

6.1 Conditions Precedent

Completion is conditional upon all of the following conditions being satisfied or waived in accordance with clause 6.3 on or prior to the Sunset Date:

- (a) ASIC grants such exemptions or modifications from Chapter 6 of the Act pursuant to section 655A of the Act as are necessary to permit the transfer of the Shares to the New Shareholder;
- (b) the Deed Administrators and each Deed Company executing and exchanging the Creditors' Trust Deed;
- (c) a Court making a Section 444GA Order;
- (d) a resolution in a form satisfactory to the Deed Proponent, acting reasonably, being passed by the Directors of each Deed Company:
 - (i) appointing the New Directors as directors of the Deed Companies; and
 - (ii) acknowledging the resignations of the Directors from the Deed Companies, with effect from Completion and subject to each New Director having delivered a signed consent act as a director, and each Director having delivered a signed notice of resignation to the Deed Administrators;
- (e) each relevant Deed Company that is a party to a Continuing Lease, and each Creditor that is party to a Continuing Lease, executing such documents as the Deed Proponent may

reasonably require in order to confirm the Continuing Lease will remain in place at and immediately after Completion;

- (f) each relevant Deed Company that is a party to an Excluded Contract, and each Creditor that is party to an Excluded Contract, executing such documents as the Deed Proponent may reasonably require in order to confirm the Excluded Contract will remain in place at and immediately after Completion;
- (g) any options or performance right on issue in McWilliam's (or its subsidiaries) be cancelled for nil consideration, such that ordinary shares are the sole class of securities in McWilliam's and each of its subsidiaries;
- (h) the Deed Administrators procuring the release of all Releasing Securities at and from Completion;
- (i) without limiting clause 7.9, M&G and McWilliam's entering into the M&G Assignment;
- (j) subject to clause 6.5, each Key Employee confirming to the Deed Administrators not less than five business days prior to the Implementation Date that it is the present intention of that Key Employee not to resign before, at or immediately following, Completion;
- (k) the Deed Companies procuring that all of the following assets are removed from the premises that the Deed Companies will continue to occupy from Completion:
 - (i) inventory on consignment which is stored on any premises used by the Business but which inventory is not owned by McWilliam's, including any Customer Assets; and
 - (ii) the Excluded Stock,but excluding any assets or Stock stored at any of the Properties pursuant to the Make Wines Storage Agreement;
- (l) the Deed Companies terminating all leases to occupy real property or licences to occupy real property other than the Continuing Leases, such that the only leases or licences to occupy real property which the Deed Companies will remain party at Completion are the Continuing Leases; and
- (m) Completion is conditional upon each of the Key Employees remaining employed by the date the last of the Conditions Precedent in this clause 6.1 (except this clause 6.1(m)) is satisfied.

6.2 Obligation to satisfy Conditions Precedent

To the extent that it is within the relevant party's control, that party must use reasonable endeavours to ensure that the Conditions Precedent are satisfied.

6.3 Benefit and waiver of Conditions Precedent

- (a) The Conditions in clauses 6.1(a), (b) and (c) cannot be waived
- (b) The Conditions in clauses 6.1(d) to 6.1(m) inclusive are for the benefit of the Deed Proponent and non-satisfaction of those Conditions may only be waived with the written consent of the Deed Proponent.

6.4 Consequences of failure to satisfy or waive Conditions Precedent

- (a) If by the Sunset Date each of the Conditions Precedent is not satisfied or waived in accordance with clause 6.3 the Deed Proponent will cease to be bound by the Deed from the Sunset Date, and the Deed Administrators must convene a meeting of Creditors to determine the future of the Deed Companies.

- (b) If at any time, the Deed Administrators (acting reasonably):
 - (i) form the view that the Conditions Precedent cannot be satisfied and will not be waived by the Sunset Date; and
 - (ii) provide two Business Days' prior notice to this effect to the Deed Proponent, then the Deed Administrators must convene a meeting of Creditors to determine the future of the Deed administration including but not limited to considering a resolution:
 - (A) that this Deed be terminated and the Deed Companies be wound up as set out at clause 21.6;
 - (B) that this Deed be varied; or
 - (C) such other resolution as is permitted by the Act.

6.5 Employment agreements

Clause 6.1(j) does not in any way vary or limit the rights or obligations of the Key Employees under their employment agreements with McWilliam's and, without limitation, does not in any way limit the right of a Key Employee to resign in accordance with the terms of that Key Employee's employment agreement.

7. Implementation

7.1 Implementation steps

If the Conditions Precedent have been satisfied or waived in accordance with clause 6.3, the parties must take the steps specified in clauses 7.2 to 7.5, in accordance with clause 7.8.

7.2 Payments under this Deed

If the Conditions Precedent have been satisfied or waived in accordance with clause 6.3, on the Implementation Date:

- (a) the Top Up Cash Amount (the **Proponent Contribution**) must be paid by the Deed Proponent or a Related Body Corporate of the Deed Proponent into a Deed Administrator's Account nominated by the Deed Administrators; and
- (b) subject to the Deed Proponent complying with clause 7.2(a), an amount equal to the Fund Amount (excluding the amounts referred to in subsection (d) of the definition of Fund Amount) must be paid by the Deed Administrators to the Trustees to comprise and be administered under the Trust as the Trust Fund; and
- (c) the Disputed Stock Amount (if any) must be paid by the Deed Proponent or a Related Body Corporate of the Deed Proponent to the Escrow Agent in accordance with clause 7.3.

7.3 Escrow Agent

- (a) On the Implementation Date, the Deed Proponent must pay the Disputed Stock Amount to the Escrow Agent to be invested by the Escrow Agent in a separate interest bearing bank account to be held by the Escrow Agent on trust for the Deed Proponent and the Deed Administrators (until their retirement and thereafter the Trustees) with **#[insert details of bank account]#**, being a bank which:
 - (i) does not have (and agrees it will not in future take or assert) a Security Interest in the account; and

- (ii) agrees not to exercise any set off rights or rights to combine accounts in respect of the account,

to be dealt with by the Escrow Agent in accordance with clauses 16.4(d) and 16.4(g) of this Deed and the Escrow Deed.

7.4 Quistclose trust

For the avoidance of doubt:

- (a) the Proponent Contribution paid under clause 7.2 is to be paid for the sole purpose of facilitating Completion under this Deed, including the transfer of the Shares in accordance with clause 7.5; and
- (b) until such time as the Deed Administrators have transferred the shares to the New Shareholder in accordance with clause 7.5, any Proponent Contribution paid under clause 7.2(a) and 7.2(c) shall be held by the Deed Administrators on trust, to be returned to the payor Deed Proponent or its Related Body Corporate (as appropriate) if Completion does not occur (and the purpose for which the Proponent Contribution was advanced fails).

7.5 Transfer of Shares to the New Shareholder

If the Conditions Precedent have been satisfied or waived in accordance with clause 6.3, on the Implementation Date and upon the happening of clause 7.2(a) and 7.2(c) (if that circumstance arises), the Deed Administrators must, pursuant to the Section 444GA Order, transfer the Shares to the New Shareholder free from any Encumbrances or Security Interests and procure the release of the Releasing Securities by:

- (a) delivering to the New Shareholder the Share Transfer;
- (b) the New Shareholder duly executing the Share Transfer, attending to the stamping of the Share Transfer (if required) and delivering it to the Deed Administrators for registration;
- (c) immediately following receipt of the executed Share Transfer from the New Shareholder, entering, or procuring the entry of, the name of the New Shareholder in the Share Register in respect of all the Shares transferred to the New Shareholder in accordance with this Deed; and
- (d) delivering duly executed deeds of release in respect of each of the Releasing Securities.

7.6 Trading liabilities

- (a) Following Completion, the Deed Administrators may retain amounts standing to the credit of the Deed Administrators' Accounts to meet all Administration liabilities until all such Administration Liabilities have been met.
- (b) To the extent an Administration Liability has been validly guaranteed by the Deed Proponent or its Related Body Corporate (and such guarantee is continuing), it will have been met for the purposes of clause 7.6(a).
- (c) The Deed Administrators must promptly pay to the Trustees to form part of the Trust Fund any balance of the Deed Administrators' Account which exceeds the Deed Administrators' reasonable estimate of its unmet Administration Liabilities.

7.7 Receivables

- (a) With effect from Completion, the Receivables are assigned to the Trustees and shall thereafter be administered under the Trust as comprising an asset of the Trust Fund.
- (b) If following Completion:

- (i) a Deed Company receives any payment from a debtor or any other person in respect of any Receivable, the Deed Company holds the amount received for the benefit of the Trustees and must forward it to the Trustees monthly for a period of 18 months following Completion or until the termination of the Creditors Trust, whichever is earlier;
 - (ii) the Trustees receive any payment from a debtor or any other person in respect of any receivable or other amount due to the Deed Companies that does not constitute a Receivable, the Trustees holds the amount received for the benefit of the Deed Companies and must forward it to the Deed Companies monthly for a period of 18 months following Completion or until the termination of the Creditors Trust, whichever is earlier.
- (c) Nothing in this clause 7.7 obliges a Deed Company to:
 - (i) take action to proactively collect; or
 - (ii) attempt to recover any Receivable,
 including by way of recovery or enforcement proceedings.
- (d) On the first Business Day of the calendar month after which Completion Date falls and after that on the first Business Day of each subsequent calendar month for a period of 18 months, each Deed Company must:
 - (i) provide to the Trustees a written account of the collection of the Receivables; and
 - (ii) pay to the Trustee all amounts required to be paid by the Deed Company for Receivables under clause 7.7(b).
- (e) Each Deed Company must provide to the Trustees any information in relation to the collection of the Receivables which the Trustees reasonably request.

7.8 Implementation steps to be simultaneous

- (a) The actions to take place as contemplated by clauses 7.2 to 7.5 are interdependent and must take place, as nearly as possible, simultaneously.
- (b) Without limiting clause 6.4, if any of the implementation steps in clauses 7.2 to 7.5 are not completed the Deed Administrators will either apply to the Court or convene a meeting of Creditors in accordance with the terms of this Deed.

7.9 Payment of Gallo Debt

On or prior to Completion, McWilliam's must pay to Gallo the amount of the Gallo Debt, take any other steps required to give effect to the absolute assignment of the M&G Trade Marks to McWilliam's under the M&G Assignment and provide evidence of the payment and assignment to the Deed Proponent.

8. Effect of Deed

8.1 Binding effect

Without limiting sections 444D and 444G of the Act, this Deed binds:

- (a) each Creditor so far as concerns Claims arising on or before the Commencement Date;
- (b) each Member; and
- (c) subject to clause 12.1(c), and without limiting clause 12.1(a), each Secured Creditor.

8.2 Effect of the Deed on the Officers

- (a) During the DOCA Period, unless authorised in writing by the Deed Administrators, the Directors and Officers of each Deed Company cannot perform or exercise, and must not purport to perform or exercise, a function or power as an Officer of a Deed Company.
- (b) During the DOCA Period, the Directors and Officers of each Deed Company must:
 - (i) co-operate with and assist the Deed Administrators in the performance by the Deed Administrators of their obligations under this Deed;
 - (ii) carry out and perform such operations, functions, powers and other matters as may be delegated to them by the Deed Administrators; and
 - (iii) perform their obligations pursuant to this Deed.

8.3 Effect of the Deed on Members

Until the Deed is terminated, any Member of a Deed Company and any Creditor holding any Encumbrance over any shares in a Deed Company (including the Shares) must not without the consent of the Deed Administrators transfer or deal with any shares in a Deed Company (including the Shares) or exercise shareholder rights over any shares in a Deed Company (including the Shares) in a way that is contrary to this Deed or its object.

9. Deed Administrators' Appointment

9.1 Role of Deed Administrators

This Deed will be administered by the Deed Administrators who have the powers, functions and duties conferred on the Deed Administrators by this Deed and the Act until the Deed Administrators retire or are removed from office in accordance with this Deed or the Act.

9.2 Powers

During the operation of this Deed, the Deed Administrators will:

- (a) be responsible for the supervision and administration of this Deed;
- (b) have the rights, powers, privileges, authorities and discretions conferred by each of the Deed Companies' constitutions or otherwise by law on its Directors;
- (c) have all of the powers set out in clause 2 of the Prescribed Provisions;
- (d) to the extent permitted by law, have the power to request and obtain any information from any Members, servants, agents of or advisers to the Deed Companies, Creditors or any other person as they may require to perform their duties under this Deed;
- (e) have the power to inspect and gain access to all books and records of the Deed Companies as they may require to perform their duties under this Deed;
- (f) do anything that is incidental to exercising a power set out in this Deed;
- (g) do anything else that is necessary or convenient for the purpose of exercising their powers to administer this Deed; and
- (h) have the power to engage the services of their partners and the employed staff of, and contractors and consultants to, their firm to assist them in the performance or exercise of their duties, obligations, responsibilities and powers under this Deed.

9.3 Deed Administrators are agents

In exercising the powers conferred by this Deed and carrying out the duties arising under this Deed, the Deed Administrators act as agents for and on behalf of each Deed Company.

9.4 Management

- (a) The Deed Administrators will retain day to day management and control of each Deed Company until the DOCA Termination Date to the exclusion of the Directors of each Deed Company.
- (b) Subject to clause 9.4(e), during the DOCA Period, the Deed Administrators, the Deed Companies and the Deed Proponent must ensure that their Representatives:
 - (i) meet regularly (and in any event, not less than fortnightly) via telephone call or videoconference or any other means agreed by them, (in each case, a **Transition Group Meeting**) to:
 - (A) share and discuss operational and sales data, stock management and maintenance procedures (including information in relation to volumes of Stock on hand and product mix);
 - (B) discuss forward looking sales and operations and transition planning more generally; and
 - (C) discuss any specific issues or concerns raised by the Deed Administrators, Deed Companies or the Deed Proponent,in relation to the Business.
- (c) Subject to clause 9.4(e), the Representatives of the Deed Administrators and the Deed Companies must consider any reasonable recommendations made by the Representatives of the Deed Proponent in respect of the Business at each Transition Group Meeting.
- (d) Subject to clause 9.4(e) and without in any way limiting or restricting the rights of the Deed Administrators to operate, manage and control the Business and the Deed Companies at their discretion (including making decisions or taking action or not acting in respect of the Business and the Deed Companies), until Completion or the earlier termination of this Deed, the Deed Administrators must:
 - (i) continue to manage the Deed Companies and the Business in accordance with the ordinary course of business (and for the avoidance of doubt, a reference to 'the ordinary course of business' for the purposes of this clause 9.4 is a reference to the manner in which the business was conducted prior to the Date of Appointment);
 - (ii) unless contemplated in this Deed, not purchase or dispose of any asset (including Stock) worth in excess of \$20,000 (other than Taittinger Stock which is sold back to Taittinger in the event of termination of the Taittinger Distribution Agreement) otherwise than in the ordinary course of business;
 - (iii) consult with, and consider reasonable recommendations made by, the Deed Proponent and its Representatives in relation to:
 - (A) the business plans of the Business and any strategies or business plans that may be formulated prior to Completion (including any material amendments to an updated inventory plan to be disclosed by the Deed Administrator to the Deed Proponent no later than 2 Business Days prior to the date of this Deed);

- (B) any proposal for the sale of:
 - (I) any volume of Stock at a material discount;
 - (II) any Stock at auction via 'GraysOnline' or any similar intermediary, excluding any Stock already at auction via 'GraysOnline' or any similar intermediary on the date of this Deed; or
 - (III) large volumes of Bulk Stock or Finished Goods Stock;
- (C) any proposed material operational expenditure the Deed Administrators intend to incur to maintain Stock levels and diversified product mix;
- (iv) in relation to any Third Party IP Claim:
 - (A) act reasonably and in good faith;
 - (B) consult regularly with the Deed Proponent and provide the Deed Proponent with reasonable access to all material documents in relation to conduct or defence of the Third Party IP Claim, on a common interest basis where appropriate and without being required to take any action that could constitute a waiver of privilege;
 - (C) not withhold any material information in relation to the conduct of any Third Party IP Claim from the Deed Proponent but the Deed Companies will not be required to disclose any information or take any action that could constitute a waiver of privilege;
 - (D) not cause the Deed Companies to make any admission in relation to or to accept, compromise or pay any Third Party IP Claim or demand or agree to arbitrate, compromise or settle any legal proceedings or take any action in relation to a Third Party IP Claim which may lead to liability on the part of the Deed Proponent or the Deed Companies following Completion, (including, for the avoidance of doubt, entry into any settlement or other arrangement imposing any contractual or other restriction on the Deed Companies from selling Stock that is sold under, or branded with the Trademarks) under or in connection with any Third Party IP Claim, without the prior written approval of the Deed Proponent (which approval will not be unreasonably withheld or delayed); and
- (v) on receipt of reasonable notice from the Deed Proponent, during Business Hours, promptly grant Representatives of the Deed Proponent:
 - (A) access to the Properties; and
 - (B) access to information, records, Key Employees and Employees (including senior management) of the Deed Companies,

as the Deed Proponent may reasonably request to verify the Deed Administrators' compliance with this clause 9.4, provided the Deed Proponent and its Representatives agree to comply with, and comply with, all reasonable directions and requirements of McWilliam's and its Representatives while at the Properties, including complying with the work, health and safety policies and procedures of McWilliam's advised to the Deed Proponent and its Representatives.
- (e) Clauses 9.4(b), 9.4(c) and 9.4(d) do not:
 - (i) prevent any action required because of the Deed Administrators' obligations at law or any action contemplated or required by this Deed;

- (ii) prevent any action or omission the Deed Administrators' determine, acting reasonably, to be necessary or desirable to comply with their statutory obligations or law;
- (iii) impose obligations on the Deed Companies or the Deed Administrators to incur costs and expenses in relation to the Business or the assets of the Business materially in excess of the costs and expenses required to conduct the Business in the ordinary course; or
- (iv) prevent any action or omission agreed in writing between the Deed Administrators and the Deed Proponent.

9.5 Joint and several

- (a) The rights, powers and privileges of the Deed Administrators may be exercised by them jointly and severally.
- (b) The functions and powers of the Deed Administrators under this Deed may be performed or exercised by any one of them or more than one of them together.
- (c) The rights, benefits and obligations of the Deed Administrators under this Deed, including but not limited to the indemnity and lien in clause 17, are joint and several.

9.6 Reasonable care and diligence

The Deed Administrators must:

- (a) act honestly; and
- (b) exercise the degree of care and diligence that a reasonable person would exercise in the circumstances of the Deed Companies,

in exercising their Powers and performing their functions and duties as Deed Administrators under this Deed.

9.7 Deed Administrators' resignation

Any Deed Administrator may resign at any time by giving not less than 14 days' prior written notice to the Deed Companies unless that resignation would result in there being no remaining Deed Administrator in which event the Deed Administrator must:

- (a) convene meetings of Creditors for each of the Deed Companies for the purpose of nominating a replacement deed administrator;
- (b) assign to a replacement deed administrator nominated by the Creditors the Deed Administrators' rights, title and benefits under this Deed; and
- (c) do all things necessary to effect that assignment.

9.8 Deed Administrators' replacement

Where a Deed Administrator:

- (a) dies; or
- (b) becomes prohibited from acting as Deed Administrator in accordance with the Act,

the remaining Deed Administrators may convene a meeting of Creditors to appoint a replacement administrator and, if appropriate, determine the rate of remuneration to be paid to the replacement administrator.

10. Moratorium and Release

10.1 Moratorium

Without limiting clauses 12.1 or 13.1, while this Deed remains in force, no Creditor, in relation to that Creditor's Claim or Excluded Claim, or Officer or Member, may:

- (a) make or concur in an application for an order to wind up a Deed Company;
- (b) proceed with such an application to wind up a Deed Company made before this Deed became binding on such person;
- (c) begin, revive, continue or take any further steps in any action, suit, mediation or proceeding against a Deed Company or in relation to any of its property;
- (d) begin, revive, continue or take any further steps in respect of any Enforcement Process in relation to a Deed Company's property;
- (e) commence, continue or take any additional step in any arbitration against a Deed Company or to which a Deed Company is a party;
- (f) exercise any right of set-off or defence, cross-claim or cross action to which that Creditor would not have been entitled had the Deed Company been wound up on the Appointment Date;
- (g) take any action whatsoever to seek to recover any part of its Claim from the Deed Company; or
- (h) otherwise enforce any right it may have or acquire against a Deed Company,
- (i) except, in the case only of clauses 10.1(c) and (d), with the leave of a Court and in accordance with such terms (if any) as a Court imposes. For the purposes of this clause, property includes property used or occupied by, or in the possession of, a Deed Company.

10.2 Release and discharge of Claims

Immediately upon and with effect from Completion, but without limiting clauses 10.5, 12.1 or 13.1:

- (a) the Claims of all Creditors will be fully released and discharged; and
- (b) any Creditor that has registered a financing statement in respect of the Deed Companies or their assets (**Financing Statement**) must thereafter discharge any such financing statement.

10.3 Execution of all necessary documents

Each Creditor must, if required by the Deed Administrators (or by the Trustees following termination of this Deed) or the Deed Proponent, execute and deliver to the Deed Administrators and the Deed Companies:

- (a) such form of acknowledgement or release of any Claim as reflects the release and discharge of that Claim pursuant to clause 10.2; and
- (b) without limiting clause 12.1 or 13.1, evidence that the Creditor has discharged any relevant Financing Statements.

10.4 Bar to Creditors' Claims

This Deed may be pleaded by the Deed Companies or the Deed Administrators against any Creditor as an absolute bar and defence to any Claim to the extent the Deed Company's liability has been released and discharged in relation to that Claim pursuant to clause 10.2.

10.5 Conversion of Claims

The Deed Administrators and the Creditors agree that upon all Claims being released pursuant to clause 10.2, each Trust Creditor who had a Claim, will be entitled to make a claim against the Trust Fund, which is equal in amount to their released Claim.

10.6 Excluded Claims

An Excluded Creditor:

- (a) for the avoidance of doubt, will be entitled to make a claim against the Trust Fund, which is equal in amount to any released Claim; and
- (b) will not be entitled to make a claim against the Trust Fund in relation to an Excluded Claim, or to recover any Excluded Claim for the purposes of, or in relation to, the Trust Fund.

11. Creditors Trust

11.1 Creditors Trust

- (a) The Creditors Trust will be established for the purposes of this Deed.
- (b) The purpose of the Creditors' Trust will be to enable certain tasks ordinarily undertaken by deed administrators (including, but not limited to, the calling for and adjudication of the claims of creditors) to be performed by the Trustees of the Creditors' Trust in order to facilitate the early termination of this Deed.
- (c) Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mablesen of KPMG will be appointed as Trustees of the Creditors' Trust.

12. Secured Creditors

12.1 Impact on Secured Creditors

- (a) This Deed does not prevent a Secured Creditor from realising or otherwise dealing with its Security Interest except so far as:
 - (i) the Secured Creditor voted in favour of the Section 439C Resolution; or
 - (ii) the Court orders as such under section 444F(2) of the Act.
- (b) Subject to clause (c), each Secured Creditor who votes in favour of the Section 439C Resolution will be subject to the restrictions in clause 10.1 and must not do anything to permit, procure or facilitate any security trustee for that Secured Creditor (to the extent that one exists) to do anything inconsistent with the restrictions in clause 10.1.
- (c) The restrictions in clause 10.1 will cease to apply to a Secured Creditor who votes in favour of the Section 439C Resolution on the earliest to occur of the following:
 - (i) the Conditions Precedent are not satisfied by the Sunset Date; or
 - (ii) the termination of this Deed for any reason prior to Completion.

13. Property in the possession of Deed Company

13.1 Owners of Property in the possession of the Deed Company

- (a) This Deed does not affect a right that an Owner of property has in relation to property in possession of a Deed Company except so far as:
 - (i) the Owner voted in favour of the Section 439C Resolution; or
 - (ii) the Court orders as such under section 444F(4) of the Act.
- (b) An Owner of property in the possession of a Deed Company who is a party to a Non Releasing Security in relation to a lease or other agreement affecting the relevant property and who votes in favour of the Section 439C Resolution:
 - (i) waives any event of default or breach by the relevant Deed Company of any agreement to which the Deed Company and the Owner is a party which occurred on or prior to the Commencement Date or which may occur during the DOCA Period, insofar as the Owner would be entitled to terminate the agreement or take possession of or otherwise recover the property the subject of the agreement (including for the avoidance of doubt, any event of default or breach relating to the appointment of administrators and/or deed administrators to the Deed Company); and
 - (ii) consents to the change of control of the Deed Companies occurring by reason of the transfer of the Shares.

14. Employee Priority Claims

14.1 Rules for Priority Claims

- (a) The Deed Administrators agree to pay all Employee Priority Claims which are due and payable on behalf of the Deed Companies as soon as practicable after execution of this Deed provided that the Deed Administrators have the funds available to make the payments.
- (b) For the purposes of section 444DA of the Act, any Employee will retain a priority until Completion in respect of the assets of the Deed Company under the Deed Administrators' control, and thereafter, in respect of the assets of the Trust Fund at least equal to what they would have been entitled to if the property of the Deed Company had been applied in accordance with sections 556, 560 and 561 of the Act.
- (c) For the purposes of section 444DB of the Act, the Deed Administrators (in their capacity as Trustees) must determine that a debt (or part thereof) by way of Superannuation Contribution (**Superannuation Debt**) is not admissible to proof as a Trust Creditor Claim if:
 - (i) that debt (or that part of the debt) by way of Superannuation Guarantee Charge:
 - (A) has been paid; or
 - (B) is, or is to be, admissible against the Deed Company; and
 - (ii) the Deed Administrators are satisfied that the Superannuation Guarantee Charge is attributable to the Superannuation Debt.
- (d) If the Deed Administrators make such a determination, the Superannuation Debt is to be treated as extinguished as against the Deed Company.

14.2 Acknowledgment

The parties acknowledge and agree that:

- (a) on or prior to Completion, the Deed Administrators must procure the payment of all statutory superannuation contributions and commissions due to be paid in respect of the Employees up to the period ending on the Completion Date (including amounts payable in respect of the period prior to, and on and from the Appointment Date) (**Superannuation Liability**), and must provide the Deed Proponent with reasonable written evidence that the Superannuation Liability has been paid in full; and
- (b) following Completion the Deed Companies that act as employers will remain and be responsible for any claim by any Continuing Employee for annual leave and leave loading, personal/carer's leave and long service leave due to or accrued by an Employee after the Completion Date (**Leave Benefits**) and any Leave Benefits attributable to prior recognised service by the Employee with the Deed Company up to the Completion Date.

15. Insured Claims

15.1 Rights of Creditors who have Claims covered by insurance

If insurance is held by or on behalf of a Deed Company in respect of an Insured Claim:

- (a) the Creditor may, in relation to its Insured Claim and notwithstanding that Completion has occurred, take action to recover the amount due in respect of the Claim against the Deed Company, but such action must not exceed what is necessary to obtain payment from the insurer;
- (b) to the extent that the Creditor is able, by settlement, arbitral award or judgment, to obtain payment from the insurer on account of the Insured Claim, the Creditor may retain that amount in full satisfaction of its Claim;
- (c) the Deed Company is not required to provide assistance to a Creditor in relation to a Claim under this clause or take action in response to enforcement action taken by a Creditor in accordance with this clause;
- (d) where a Creditor intends to take enforcement action in relation to a Claim under this clause:
 - (i) the Creditor must, prior to taking an enforcement action in relation to the Claim, provide the Deed Company with an indemnity (Creditor Indemnity) prior to, and during, any enforcement action in relation to the Claim;
 - (ii) if requested by the Deed Company, provide the Deed Company with evidence, to the reasonable satisfaction of the Deed Company, that the Creditor will be (and will continue to be) in a financial position, or have access to sufficient funds, to enable it to satisfy the Creditor Indemnity; and
 - (iii) the Deed Company may plead this Deed as a bar to any enforcement action taken by a Creditor in relation to the Claim in circumstances where the Creditor has not, prior to commencing that enforcement action, given the Creditor Indemnity described in clause 15.1(d)(i) to the Deed Company.

15.2 Release of Insured Claims where payment not obtained from insurer

To the extent that the Creditor is unable to seek or obtain payment of its Insured Claim from the insurer (including, without limitation, by reason of any excess or deductible applicable to the insurance policy, or failure by the Deed Company to take action):

- (a) the Insured Claim will constitute a Claim in respect of which the Creditor is entitled to make a claim against the Trust Fund under clause 10.5; and
- (b) for the avoidance of doubt, clause 10.4 of this Deed will operate as a complete release and bar to that part of the Creditor's Claim which has not been met by the insurer.

16. Stocktake

16.1 Stocktake

No earlier than 7 Business Days before the Implementation Date, a stocktake of the Stock must be conducted as at the Calculation Time, as follows:

- (a) McWilliam's must conduct, or must procure that its Representatives conduct, a stocktake and must allow the Deed Proponent and its Representatives to be present at the stocktake (including, where required by a law or a Government Agency, through the use of technology if the use of technology is possible at each location at which Stock is stored);
- (b) the stocktake must be undertaken and items of Stock must be valued as at the Calculation Time and in accordance with the stocktake procedure and valuation principles set out in Schedule 6; and
- (c) the Deed Proponent and McWilliam's are to bear their own costs of the stocktake.

16.2 Completion Stock Value

- (a) McWilliam's must determine the value of the Stock based on the valuation principles set out in Part B of Schedule 6 based on the volumes and quantities of Stock determined at the stocktake conducted in accordance with clause 16.1.
- (b) Subject to clause 16.2(c), McWilliam's must, no later than 2 Business Days before the Implementation Date, deliver a written statement to the Deed Proponent identifying the value of Stock as at the Calculation Time (**Completion Stock Value**), including relevant Stock sheets and other documentation required to be delivered in accordance with Schedule 6.
- (c) Notwithstanding any other provision in this Deed, the parties acknowledge and agree that any Subject Stock which exists on the date on which the stocktake commences in accordance with clause 16.1:
 - (i) must be excluded from the Completion Stock Value; and
 - (ii) may be realised by the Deed Administrators prior to Completion and the proceeds shall be retained by the Deed Administrators and, following the establishment of the Trust, shall be an asset of the Trust for the benefit of the Trust Creditors, unless otherwise agreed by the Deed Proponent.
- (d) If the Deed Proponent does not dispute the Completion Stock Value in accordance with clause 16.4(a), it will be taken to have accepted the Completion Stock Value and the Deed Proponent or a Related Body Corporate of the Deed Proponent must pay an amount equal to the Completion Stock Value as part of the Top Up Cash Amount to the Deed Administrators on the Implementation Date in accordance with clause 7.2(a).

16.3 Directions and requirements

The Deed Proponent agrees that it and its Representatives will comply with all reasonable directions and requirements of McWilliam's and its Representatives observing the stocktake,

contemplated in clause 16.1 including complying with the work, health and safety policies and procedures of McWilliam's advised to the Deed Proponent and its Representatives.

16.4 Resolution of disputes

- (a) If the Deed Proponent disputes the Completion Stock Value (**Dispute**), it must give to the Deed Administrators a notice (**Dispute Notice**) in respect of the Completion Stock Value, by no later than 5.00pm on the Business Day prior to the Implementation Date, specifying:
 - (i) the item or items in the Completion Stock Value that are in dispute;
 - (ii) insofar as possible, the amount in dispute;
 - (iii) the adjustment to the Completion Stock Value based on the Deed Proponent's calculation of the Completion Stock Value, if the Dispute Notice was to be accepted; and
 - (iv) the reasons why each matter is disputed.
- (b) If the Deed Proponent issues a Dispute Notice, it must on the Implementation Date:
 - (i) pay the greater of:
 - (A) the undisputed amount of the Completion Stock Value; and
 - (B) the lesser of:
 - (1) \$16 million; and
 - (2) 90% of the Completion Stock Value determined by McWilliam's in accordance with clause 16.2(c).

as part of the Top Up Cash Amount to the Deed Administrators in accordance with clause 7.2(a); and

 - (ii) pay an amount equal to the difference between the Completion Stock Value and the amount paid under clause 16.4(b)(i) (expressed as a positive integer) (**Disputed Stock Amount**) to the Escrow Agent in accordance with clause 7.2(c).
- (c) If the Deed Proponent issues a Dispute Notice, the Deed Administrators in both their capacities as Deed Administrators and as Trustees and the Deed Proponent must meet within 10 Business Days of the Deed Administrators receiving the Dispute Notice to attempt in good faith to resolve the Dispute and agree on the Completion Stock Value.
- (d) If the Dispute is resolved in accordance with clause 16.4(c), the Deed Administrators and the Deed Proponent must within 2 Business Days of the date on which the Dispute is resolved issue a joint written direction to the Escrow Agent in accordance with the Escrow Deed directing the Escrow Agent to release the Disputed Stock Amount (and any Interest) consistent with the resolution agreed on the Completion Stock Value.
- (e) If all or any part of the Disputed Stock Amount (and any Interest) is released to the Deed Administrators under a written direction referred to in clause 16.4(d) or clause 16.4(g), or a payment made to the Deed Administrators pursuant to clause 16.4(h), the Deed Administrators must pay those amounts to the Trustees to comprise and be administered under the Trust as the Trust Fund.

- (f) If the Dispute has not been resolved by the parties within 10 Business Days of the Deed Administrators receiving the Dispute Notice, the dispute may be referred by the Deed Proponent on the one hand or the Deed Administrators and/or Trustees on the other hand for determination in accordance with clause 16.5.
- (g) If the Expert makes a determination in accordance with clause 16.5, the Deed Administrators and the Deed Proponent must within 2 Business Days of the date on which the determination is made issue a joint written direction to the Escrow Agent in accordance with the Escrow Deed directing the Escrow Agent to release the Disputed Stock Amount (and any Interest) in accordance with that Expert determination and attaching the Expert determination.
- (h) If the Expert determines in accordance with clause 16.5, or the Deed Proponent and the Deed Administrators/Trustees agree in accordance with clause 16.4(c), that the value of the Stock (based on the valuation principles set out in Part B of Schedule 6 based on the volumes and quantities of Stock determined at the stocktake conducted in accordance with clause 16.1), is greater than the Completion Stock Value, the Deed Proponent must also pay the amount by which the value of the Stock exceeds the Completion Stock Value to the Deed Administrators.
- (i) For the avoidance of doubt
the issuing of a Dispute Notice under clause 16.4(b) will not provide a basis to delay Completion.

16.5 Determination by expert

- (a) If the Deed Administrators or the Trustees (as relevant) and the Deed Proponent are unable to agree on the Completion Stock Value within the period specified in clause 16.4(f)), (in each case, a **Disputed Matter**), either party may, by notice to the other party require the matter to be referred for determination by an independent expert (**Expert**) in accordance with this clause 16.5.
- (b) The Expert:
 - (i) must be a member of Chartered Accountants Australia and New Zealand or CPA Australia;
 - (ii) must have appropriate experience and qualifications in matters relating to the Disputed Matters;
 - (iii) must not have any prior interest or duty which conflicts with their appointment as Expert; and
 - (iv) act as an expert and not as an arbitrator.
- (c) The parties must endeavour to agree upon the identity of a single Expert to whom the Dispute will be referred for determination as soon as is reasonably practicable.
- (d) If the parties are unable to agree upon the identity of an Expert within two Business Days of the notice being given under clause 16.5(a), either party may request the Chair of the Resolution Institute (Australia) (or the Chair's delegate) to nominate or appoint the Expert.
- (e) Within three Business Days of appointment, the Expert must set a time and place for receiving the parties' submissions on the Disputed Matters.
- (f) Each party:

- (i) may be legally represented in relation to a determination by an Expert;
 - (ii) is entitled to produce to the Expert any materials or evidence which that party believes is relevant to the determination of the Disputed Matter; and
 - (iii) must make available to the Expert all materials requested by the Expert and all other materials which are relevant to the Expert's determination.
- (g) Unless otherwise agreed by the parties, all material and evidence made available for the purposes of the determination by the Expert must be kept private and confidential and, to the extent permitted by law, will be subject to without prejudice privilege.
- (h) The Expert must make a determination on the Disputed Matters as soon as practicable following appointment, and in any event within 15 Business Days of appointment (or such greater time period as agreed in writing by the parties).
- (i) A determination of the Expert:
 - (i) must be in the form of a written report;
 - (ii) is final and binding upon the parties except in the case of bias, fraud, manifest mistake or error; and
 - (iii) must be kept private and confidential unless otherwise agreed to by the parties.
- (j) If the Expert does not make a determination within 15 Business Days of appointment (or such greater time period as agreed in writing by the parties), then:
 - (i) either party may terminate the appointment by written notice; and
 - (ii) either party may pursue any other means for resolving the Disputed Matters.
- (k) The costs of the Expert will be apportioned between the parties in such proportions as the Expert thinks fit.
- (l) The parties will each bear their own costs incurred in the preparation and presentation of any submissions or evidence to the Expert.

17. FIRB

- (a) The Deed Proponent represents and warrants that the provisions of FATA requiring the obtaining of consent to, or notification of, certain transactions do not apply to the Deed Proponent or the New Shareholder in relation to this Deed and that neither the Deed Proponent nor the New Shareholder is required to provide notification to, or obtain approval from, FIRB or the Treasurer of the Commonwealth of Australia under FATA in relation to the transactions contemplated in this Deed, including without limitation the transfer of the Shares to the New Shareholder.
- (b) If the Deed Proponent breaches the warranty in clause 17(a), whether deliberately or unintentionally, the Deed Proponent will indemnify and compensate the Deed Companies and the Deed Administrators against, and pay on demand, all Losses which may be suffered or incurred by any of them as a consequence of this breach by the Deed Proponent.
- (c) The Deed Administrators may exercise their rights pursuant to 21.7 of this Deed at any time prior to Completion if:

- (i) the Deed Proponent or the New Shareholder receives a notice or communication from or on behalf of FIRB or the Treasurer of the Commonwealth which indicates that notification will be required to be given to, or approval obtained from, the Treasurer of the Commonwealth of Australia under FATA for the transactions contemplated by this Deed, including without limitation the transfer of the Shares to the New Shareholder; or
 - (ii) the Deed Proponent fails to comply with clause 17(d).
- (d) If the Deed Proponent or New Shareholder receives a notice or communication from or on behalf of FIRB or the Treasurer of the Commonwealth in connection with the Deed Companies, this Deed or the transactions contemplated by this Deed, the Deed Proponent must, within 1 Business Day after receipt, provide a copy of the notice or communication to the Deed Administrators.

18. Deed Administrators' remuneration, indemnity and liability

18.1 Remuneration

Subject to section 60-5 and 60-10 of the Insolvency Practice Schedule, the Deed Administrators, their partners and employees will be:

- (a) remunerated by each Deed Company in respect of any work done by them as voluntary administrators and as deed administrators at the hourly rates charged from time to time by the firm of which the Deed Administrators are partners or employees as set out in the Report to Creditors issued with their notice of the meeting of Creditors; and
- (b) reimbursed by each Deed Company in respect of all remuneration, costs and expenses incurred in connection with the performance of the Deed Administrators' duties, obligations and responsibilities as voluntary administrators and as deed administrators of each Deed Company (including their Remuneration and Costs).

18.2 Deed Administrators' indemnity

The Deed Administrators are entitled to be indemnified (and to be kept indemnified) as voluntary administrators and deed administrators by each Deed Company, and after Completion from the Trust Fund, for:

- (a) the Remuneration incurred by the Administrators and Deed Administrators;
- (b) except in the case of fraud, unlawful or dishonest conduct, all Costs and other Liabilities incurred by the Deed Administrators;
- (c) any amount which the Administrators are, or would but for the transactions contemplated by this Deed be, entitled to be indemnified out of the assets of each Deed Company in accordance with the Act, at law or in equity, including any amounts payable pursuant to section 443A, section 443B or section 443BA of the Act;
- (d) any debts, liabilities, damages, losses and remuneration to which the statutory indemnity under section 443D of the Act applies; and
- (e) any amount for which the Administrators or Deed Administrators are entitled to exercise a lien at law or in equity on the property of each Deed Company.

18.3 Continuing indemnity

The indemnity in clause 18.2 is a continuing indemnity and will endure for the benefit of the Deed Administrators despite the removal of the Deed Administrators and the appointment of new Deed Administrators or the termination of the Deed for any reason whatsoever.

18.4 Indemnity not to be affected or prejudiced

The indemnity under clause 18.2:

- (a) will not be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Administrators or Deed Administrators;
- (b) extends to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Administrators or Deed Administrators, the approval and execution of this Deed; and
- (c) does not otherwise affect or prejudice any other rights that the Administrators or Deed Administrators may have against the Company or any other person, including any other claim for indemnity.

18.5 Deed Administrators' lien

To secure the rights of indemnity under clause 18.2, the Deed Administrators have a lien over the Trust Fund established under the Creditors' Trust.

18.6 Priority

To the extent permitted by law, the Deed Administrators' right of indemnity under clause 18.2 and their lien under clause 18.5 shall have priority over the claims of all Creditors.

18.7 Limitation of the Deed Administrators' liability

- (a) Subject to the Act and to the extent permitted by law, in the performance or exercise, or purported performance or exercise of the Deed Administrators' functions, powers and duties under this Deed, except in the case of fraud or unlawful conduct by the Deed Administrators or a Deed Company or conduct contrary to the terms of this Deed or wilful misconduct by the Deed Administrators, the Deed Administrators will not be personally liable for:
 - (i) any debt, liability or other obligation which the Deed Administrators may incur on behalf of the Deed Companies pursuant to this Deed;
 - (ii) any debt payable or liabilities incurred by a Deed Company after the Commencement Date including any amounts payable by the Deed Administrators for services rendered, goods bought or property hired, leased, used or occupied by or on behalf of a Deed Company; or
 - (iii) any loss or damage caused by any act, default or omission by the Deed Administrators, their partners, employed staff, servants, agents or advisors or any act, default or omission done or committed on behalf of the Deed Administrators in the performance of their duties or the exercise of their powers under this Deed; or
- (b) The Deed Administrators, in their former capacities as voluntary administrators of the Deed Companies or in their capacities as Deed Administrators of this Deed) have not, and will not, be taken to have adopted, ratified or in any manner become personally bound

under any agreement between the Deed Companies and any owners or lessors of any property used or occupied by, or in the possession of, the Deed Companies, as a result of:

- (i) any discussions or correspondence with any owner or lessor or any person or entity;
- (ii) the use, occupation or possession of any property by the Deed Companies during the period from their appointment as joint and several voluntary administrators to the Deed Companies to the DOCA Termination Date, or any other period; or
- (iii) any other act, matter or thing done or omitted to be done by the Deed Administrators or the Deed Companies.

19. Tax returns

19.1 Lodgement of tax returns

Prior to lodging any Tax returns relating to financial periods ending on or before Completion, the Deed Companies and Deed Administrators must afford the Deed Proponent an opportunity to review and provide comments on the draft Tax returns.

20. GST

20.1 Definitions

In this clause 20:

- (a) Representative Member has the meaning under the GST Act;
- (b) any words or expressions used in this clause which have a particular meaning in the GST Law including any applicable legislative determinations and Australian Taxation Office public rulings have the same meaning unless the context otherwise requires;
- (c) references to GST payable or an input tax credit entitlement include GST payable by, and the input tax credit entitlement of, the entity or Representative Member for a GST group of which the entity is a member.

20.2 Consideration is exclusive of GST

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under or in accordance with this Deed are exclusive of GST.

20.3 Recipient to pay an additional amount

If GST is imposed on any supply made under or in accordance with this Deed, the recipient of the taxable supply must pay to the supplier an additional amount equal to the GST payable on or for the taxable supply.

20.4 Timing of GST payment

Subject to clause 20.5, the recipient must pay the additional amount referred to in clause 20.3 at the same time as payment for the taxable supply is required to be made under or in accordance with this Deed.

20.5 Tax invoice

The supplier must deliver a tax invoice or an adjustment note to the recipient at or before the time of the payment under or in accordance with this Deed before the supplier is entitled to payment of an additional amount under clause 20.3. The recipient can withhold payment of the amount until the supplier provides a tax invoice or an adjustment note, as appropriate.

20.6 Reimbursement

If this Deed requires a party to pay for, reimburse or contribute to any expense, loss or outgoing (**Reimbursable Expense**) suffered or incurred by another party, the amount required to be paid, reimbursed or contributed by the first party will be the amount of the Reimbursable Expense net of input tax credits (if any) to which the other party is entitled in respect of the Reimbursable Expense plus any GST payable by the other party.

20.7 Adjustment events

If at any time an adjustment event arises in respect of any supply made by a party under this Deed, a corresponding adjustment must be made between the parties in respect of any amount paid to the supplier by the recipient pursuant to clause 20.3 and payments to give effect to the adjustment must be made and the supplier must issue an adjustment note.

21. Termination of this Deed

21.1 Termination of this Deed

This Deed will terminate on the DOCA Termination Date.

21.2 Termination Date

This Deed will terminate upon the earlier of:

- (a) the Court making an order terminating the Deed under section 445D of the Act; or
- (b) the creditors of each Deed Company with a Claim passing a resolution terminating this Deed at a meeting convened under the provisions of Division 75 of the Insolvency Practice Schedule and Division 75 of the Insolvency Practice Rules, by notice setting out the proposed resolution that this Deed be terminated; or
- (c) the Deed Administrator execute a notice as contemplated under clause 20.4; or
- (d) by the happening of any event which is by the terms of this Deed expressed to terminate this Deed automatically without recourse to the Court or to a meeting of the Creditors including, but not necessarily limited to, non-compliance with the terms of this Deed by the Deed Companies or the Deed Proponent.

21.3 Consequences of termination

When this Deed terminates:

- (a) the powers, functions, duties, obligations and responsibilities of the Deed Administrators under this Deed will end; and
- (b) the Deed Administrators will be released and discharged from the office of Deed Administrators of this Deed and from all obligations, duties and responsibilities imposed upon the Deed Administrators by virtue of their appointment under this Deed.

21.4 Termination where Deed achieves Purpose

Upon Completion occurring, this Deed will be wholly satisfied and effectuated and the Deed Administrators or one of them must thereafter certify to that effect in writing and must as soon as practicable (and in any event, within 3 Business Days of Completion) lodge with any relevant governmental or regulatory authority a notice of termination of this Deed in the approved form pursuant to section 445FA of the Act incorporating substantially words to the following effect in respect of the Deed Companies (**Notice**):

"We, [Administrators' names] of [Address] as administrators of the deed of company arrangement executed on [date], CERTIFY that the deed has been wholly effectuated in respect of [Company Name and ACN]",

and the execution and lodgement of the Notice terminates this Deed.

21.5 Effect of Termination

In accordance with section 445H of the Act, the termination or avoidance, in whole or in part, of this Deed will not affect the previous operation of this Deed.

21.6 Consequences of Termination of the Deed otherwise than by effectuation

Upon termination of the Deed under clause 20.2(a),(b) or (d) (and not clause 20.2(c)):

- (a) each Deed Company will be taken to have passed special resolutions under section 491 of the Act that the Deed Companies (respectively) be voluntarily wound up and that the Deed Administrators be the Deed Companies' liquidators;
- (b) section 446AA and section 499(2E) of the Act will apply; and
- (c) the Deed Companies will be wound up.

21.7 Early Termination or variation of the Deed

Without limiting the operation of sections 445C, 445E and 445FA of the Act, if the Deed Administrators determine that it is no longer practicable or desirable either to continue or implement or carry out this Deed, the Deed Administrators must on giving two Business Days' notice to the Deed Proponent convene a meeting of Creditors for the purposes of passing a resolution that:

- (a) this Deed terminates;
- (b) this Deed terminates and the Deed Companies be wound up;
- (c) the terms of this Deed be enforced; or
- (d) any other proposal permitted under the Act be approved

21.8 Survival of clauses

Despite any other provision of this Deed, clauses 1, 6.3, 7.3, 7.4, 7.6, 7.7, 10.2, 10.3, 10.4, 10.5, 10.6, 13.1(b), 14, 15, 16, 17, 18.1, 18.2, 18.3, 21.4, 21.6, 22, 23 and this clause 21.8 survive the termination of this Deed.

22. Notices

22.1 Service of Notices

A notice, demand, consent, approval or communication under this Deed (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) may be hand delivered or sent by prepaid post or email to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

22.2 Effective on receipt

A Notice given in accordance with clause 22.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the third Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from a place outside Australia); or
- (c) if sent by email, when sent by the sender unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

23. General

23.1 Stamp Duty

The Deed Proponent agrees to bear (or cause its New Shareholder to bear) all Stamp Duty in respect of the execution, delivery and performance of this Deed and the Share Transfer.

23.2 Reporting

Except as required by law, the Deed Administrators are not required to report to Creditors. However, the Deed Administrators may, in their absolute discretion, report to Creditors during the DOCA Period at such times as the Deed Administrators consider appropriate and on matters which the Deed Administrators consider ought to be brought to the attention of the Creditors.

23.3 Meeting procedures

- (a) A meeting convened under this Deed will be convened in the manner prescribed by the provisions of Division 75 of the Insolvency Practice Schedule and Division 75 of the Insolvency Practice Rules .
- (b) Except to the extent that the Act, Insolvency Practice Schedule and the Insolvency Practice Rules may be inconsistent with the provisions of this Deed, the provisions of Division 75 of the Insolvency Practice Schedule and Division 75 of the Insolvency Practice Rules will apply to meetings of Creditors convened under this Deed.

23.4 Application of Corporations Regulations

Except to the extent that they are varied by or inconsistent with the express term of this Deed, the provisions of Regulations 5.6.11 to 5.6.36A inclusive and Regulation 5.6.75 of the Corporations Regulations apply to meetings of Creditors with modifications as are necessary, as if the

references to the "liquidator" and "the liquidator or provisional liquidator", "the liquidators, provisional liquidator or chairman", or a "liquidators, provisional liquidator or trustee for debenture holders", as the case may be, were references to the Deed Administrator.

23.5 Variation of this Deed by Creditors

This Deed may be varied by a resolution of creditors but only if the variation is not materially different from a proposed variation set out in the notice of meeting.

23.6 Inconsistency with the Act etc.

If there is any inconsistency between this Deed and the Act, Regulations, the Insolvency Practice Schedule, the Insolvency Practice Rules this Deed prevails to the extent permitted by law.

23.7 DOCA prevails over constitution, contracts etc

If there is any inconsistency between this Deed and the constitution of each Deed Company or any other obligations binding on the Deed Company, then this Deed prevails to the extent of that inconsistency, and all persons bound by this Deed agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which will be borne by the Deed Companies.

23.8 Severance

- (a) Subject to 23.8(b), if a provision of this Deed is illegal or unenforceable in any relevant jurisdiction, it may be severed for the purposes of that jurisdiction without affecting the enforceability of the other provisions of this Deed.
- (b) Clause 23.8(a) does not apply if severing the provision materially alters the:
 - (i) scope and nature of this Deed; or
 - (ii) would be contrary to public policy.

23.9 Severability

Part or all of any provision of this Deed that is illegal or unenforceable may be severed from this Deed and the remaining provisions of this Deed continue in force.

23.10 Enforcement of Deed

The Creditors and each Deed Company will each irrevocably appoint the Deed Administrators as their attorneys for the purpose of enforcing the terms of this Deed and, if necessary for that purpose, to commence and pursue Court proceedings.

23.11 Entire Deed

This Deed records the entire deed of company arrangement entered into by the Company and supersedes all previous negotiations and undertakings in relation to its subject matter, and all summaries or outlines of its intended contents issued to the Creditors.

23.12 Waiver

Waiver of any provision of or right under this Deed

- (a) must be in writing signed by the party entitled to the benefit of that provision or right; and
- (b) is effective only to the extent set out in any written waiver.

23.13 Governing law

This Deed is governed by the law of New South Wales.

23.14 Counterparts

This Deed may be executed in counterparts. All executed counterparts constitute one document. Exchange may be effected by email pdf copy.

22.15 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is required by this Deed to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.

22.16 Costs of this Deed

Each party will bear its own costs, fees and expenses in relation to the preparation, approval and implementation of this Deed and of the preparation and implementation of any documents necessary as prerequisites to the approval of this Deed.

22.17 Committee of Inspection

- (a) This clause shall apply only if the Creditors of a Deed Company have resolved at a meeting of Creditors that a committee of inspection be appointed.
- (b) If the Creditors have resolved that a committee of inspection be appointed, paragraph 11 of the Prescribed Provisions shall apply in relation to any committee of inspection that is appointed except that the word "must" appearing in the first line of sub-paragraph (a) therefore shall be replaced by the word "may".

Schedule 1– Excluded Contracts

	Counterparty	Contract
1	SMYP Pty Ltd ABN 38 153 210 103	<ul style="list-style-type: none"> ▪ The Bottling and Packaging Agreement entered into by McWilliam's (as <i>customer</i>) and SMYP Pty Ltd ABN 38 153 210 103 (as <i>service provider</i>) dated 26 September 2018; and ▪ The lease entered into by McWilliam's (as <i>lessor</i>) and SMYP Pty Ltd ABN 38 153 210 103 (as <i>lessee</i>) in relation to Barrel Store Number 2, Hanwood Estate Winery, Jack McWilliams Road, Hanwood, NSW with a commencement date of 1 October 2018.
2	Harbour IT Pty Limited ABN 28 096 093 453	<ul style="list-style-type: none"> ▪ The Master Services Agreement entered into by McWilliam's (as <i>customer</i>) and Harbour IT Pty Limited ABN 28 096 093 453 (as <i>service provider</i>) dated 17 November 2016; and ▪ The Services Schedule entered into by McWilliam's (as <i>customer</i>) and Harbour IT Pty Limited ABN 28 096 093 453 (as <i>service provider</i>) dated 17 November 2016
3	Make Wines Australia Pty Ltd (ABN 73 155 635 993)	<ul style="list-style-type: none"> ▪ The wine bulk sale and storage agreement between McWilliam's and Make Wines Australia Pty Ltd (ABN 73 155 635 993) dated 14 August 2014
4	Don Fletcher trading as Vinclaro Pty Ltd as trustee for Vinclaro Trust	<ul style="list-style-type: none"> ▪ The Consultancy Agreement entered into by McWilliam's and Don Fletcher trading as Vinclaro Pty Ltd as trustee for Vinclaro Trust (as <i>consultant</i>) dated on or about June 2012
5	BevChain Pty Ltd ABN 95 118 451 773	<ul style="list-style-type: none"> ▪ The Warehousing and Distribution Services - Letter of Intent between McWilliam's and BevChain Pty Ltd ABN 95 118 451 773 dated 31 October 2018

Schedule 2 – Non Releasing Securities

Number	PMSI	Collateral Class	Inventory	Grantor	Secured Party Group
201112200925239	Yes	Other Goods	No	ACN 00 000 024 108	AIR LIQUIDE AUSTRALIA LIMITED ACN 004 385 782; AIR LIQUIDE W.A. PTY LTD ACN 008 694 166; AIR LIQUIDE AUSTRALIA SOLUTIONS PTY LTD ACN 602 866 106
201310230015887	Yes	Other Goods	No	ABN 36 000 024 108; ACN 000 024 108	FUJI XEROX FINANCE LIMITED ACN 001 419 807; FUJI XEROX AUSTRALIA PTY. LIMITED ACN 000 341 819
201401270075408	Yes	Motor Vehicle	No	ACN 000 024 108	COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971
201401270075790	Yes	Other Goods	No	ACN 000 024 108	COATES HIRE OPERATIONS PTY LIMITED ACN 074 126 971
201401300385318	No	Motor Vehicle	No	ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201408130013038	Yes	Other Goods	No	ACN 000 024 108	Orora Group
201511100059731	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	DE LAGE LANDEN PTY LIMITED ACN 101 692 040
201512160006370	Yes	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	DE LAGE LANDEN PTY LIMITED ACN 101 692 040
201512160006389	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	DE LAGE LANDEN PTY LIMITED ACN 101 692 040
201512160074524	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	DE LAGE LANDEN PTY LIMITED ACN 101 692 040

Number	Collateral			Inventory	Grantor	Secured Party Group
	PMSI	Class				
201604220036844	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201604280051695	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201607190059195	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	WESTLAWN FINANCE LIMITED ACN 096 725 218
201608080009184	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201608170055536	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT
201609160063200	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201612010071615	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201612130061340	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201701040015880	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT
201702270006853	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT

Number	Collateral			Inventory	Grantor	Secured Party Group
	PMSI	Class				
201704200029506	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029523	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029568	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029575	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029581	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029599	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029608	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029612	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201704200029620	No	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
201711170028284	Yes	Motor Vehicle	No		MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT

Number	Collateral			Grantor	Secured Party Group
	PMSI	Class	Inventory		
201801220030228	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	RED WINDOWS CAPITAL PTY LTD ACN 163 260 115
201801290072187	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	PROMINENT FLUID CONTROLS PTY LIMITED ACN 080 688 795
201805010023969	Yes	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT
201805010023976	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT
201805300042611	Yes	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ABN 55 078 714 646; JOHN DEERE CREDIT
201809030043873	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201901250007816	Yes	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	SAMUEL SMITH & SON PTY. LTD. ACN 00 007 534 278
201903010072807	Yes	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	MAKE WINES AUSTRALIA PTY LTD ACN 155 635 993
201903190032834	Yes	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	JOHN DEERE FINANCIAL LIMITED ACN 078 714 646
201904240065706	No	General Intangible	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	QWIL INVESTMENTS PTY LTD ACN 153 274 278

Number	PMSI	Collateral Class	Inventory	Grantor	Secured Party Group
201904240065775	Not Provided	Investment Instrument	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	QWIL INVESTMENTS PTY LTD ACN 153 274 278
201907230037283	Yes	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201908280040857	Yes	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	FLEETPLUS PTY LIMITED ACN 099 217 320
201909170018706	No	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	SHRIRO AUSTRALIA PTY LIMITED ACN 002 386 129
201911150032082	Yes	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	VISY LOGISTICS NO 2 PTY LTD ACN 147 275 518; REGIONAL RECYCLERS PTY LTD ACN 069 806 462; VISY AUTOMATION INTERNATIONAL PTY LTD ACN 118 294 090; SOUTHERN PAPER PTY LTD ACN 090 908 188; VISY WEST COAST PTY LTD ACN 078 028 574; VISY INDUSTRIES AUSTRALIA PTY LTD ACN 004 337 615; VISY LEASING PTY LTD ACN 075 051 517; VISY LOGISTICS PTY LTD ACN 089 137 986; VISY CDL SERVICES PTY LTD ACN 004 052 260; SALVAGE PAPER PTY LTD ACN 101 429 716; MASON DUFLEX DISPLAYS PTY. LIMITED ACN 080 570 430; P & I PTY. LTD. ACN 000 619 018; VISY RECYCLING AUSTRALIA PTY LTD ACN 118 295 239; VISY TECHNOLOGY SYSTEMS PTY LTD ACN 077 758 895; VISY TECH SYSTEMS PTY. LTD. ACN 095 313 741; MPC QUIKPAK PTY LTD ACN 094 313 461; ACE PRINT AND DISPLAY PTY LIMITED ACN 000 639 743; The Trustee for SOUTHERN PAPER CONVERTERS TRUST ABN 49 984 541 896; VISY PAPER PTY. LTD. ACN 005 803 234; BUILD RUN REPAIR (AUSTRALIA) PTY LTD ACN 155 555 052; VISYPET PTY.

Number	Collateral		Inventory	Grantor	Secured Party Group
	PMSI	Class			
					LTD. ACN 099 764 119; VISY PACKAGING PTY. LTD. ACN 095 313 723; VISY PULP AND PAPER PTY. LTD. ACN 086 513 144; VISY GLAMA PTY LTD ACN 077 517 581; SIG COMBIBLOC AUSTRALIA PTY LTD ACN 095 321 592; VISY BOARD PROPRIETARY LIMITED ACN 005 787 913
202001100039722	No	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	CCL LABEL AUSTRALIA PTY LTD ACN 074 246 307
202001130034825	No	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	AUSTRALIAN TARTARIC PRODUCTS PTY. LTD. ACN 008 275 554
202001150076698	Yes	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	Taittinger Compagnie Commerciale et Viticole Champenoise 440 171 528 RCS Reims
202001160021206	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001160029348	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001160030076	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001160030413	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001160030791	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059

Number	PMSI	Collateral Class	Inventory	Grantor	Secured Party Group
202001160031761	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001160032172	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001160032949	No	Motor Vehicle	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	LIFTEK AUSTRALIA PTY. LTD. ACN 165 171 059
202001210035868	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	Framingham Wines Limited
202001300034651	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	A & G ENGINEERING PTY LTD ACN 002 850 017
202002270086327	No	Other Goods	Yes	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	AUSTRALIAN TARTARIC PRODUCTS PTY. LTD. ACN 008 275 554
202003200007653	Yes	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	The Trustee for Exfoliators (Aust) Unit Trust ABN 98 477 971 939
202004160033135	No	Other Goods	No	MCWILLIAM'S WINES GROUP LTD ACN 000 024 108	OENEO AUSTRALASIA PTY LTD ACN 070 134 388

Schedule 3 – Continuing Leases

Lease / Sublease	Tenant	Landlord	Premises	Folio Identifier	Obligation to provide a bank guarantee
AM639122	McWilliam's Wines Group Ltd	Australia Brilliance Investment Group Pty Ltd ACN 622 734 865	Suites 2 & 3, Ground Floor, 55-65 Murray Street, Pyrmont	Part Auto Consol 8445-18	Yes
AM639123	McWilliam's Wines Group Ltd	Australia Brilliance Investment Group Pty Ltd ACN 622 734 865	Level 1, 55-65 Murray Street, Pyrmont	Part Auto Consol 8445-18	Yes
AM140711	McWilliam's Wines Group Ltd (Further Sublease granted to YLAD Pty Ltd)	Mooremc Pty Limited	1 Barwang Road, Harden NSW 2587	A/395162 and 11/773804	Yes
AJ357802	McWilliam's Wines Group Ltd	Qwil Investments Pty Ltd	195D Joncondon Road, Hanwood NSW 2680 (194/756035) 196 Joncondon Road, Hanwood NSW 2680 (72/756034) 73 Joncondon Road, Hanwood NSW 2680 (73/756034)	194/756035, 72/756034 and 73/756034	Yes (security interest over water entitlements provided in lieu of bank guarantee)

Schedule 4 - M&G Trade Marks

Country/Jurisdiction	App No.	Filing Date	Registration No	Registration Date	Trademark Name
Antigua and Barbuda	99228546	29/09/2005	6614	29/10/2006	J.J. MCWILLIAM
Antigua and Barbuda	71561	23/12/2011	7594	01/02/2013	MCWILLIAM'S HANWOOD ESTATE
Aruba	IM-050729.19	29/07/2005	25347	30/01/2006	J.J. MCWILLIAM
Aruba	5041821	18/04/2005	25710	18/05/2006	McWILLIAM'S HANWOOD ESTATE
Bahamas	28231	03/11/2005	28231	26/11/2010	J.J. MCWILLIAM
Bahamas	26662	12/05/2004	26662	12/03/2008	MCWILLIAM'S HANWOOD ESTATE
Barbados	0	12/06/2007	81/20800	12/06/2007	J.J. MCWILLIAM
Barbados	81/26349	01/04/2009			MCWILLIAM'S HANWOOD ESTATE
Belize	3247.05	26/07/2005	3247.05	26/07/2005	J.J. MCWILLIAM
Belize	8005385	07/05/2008	5385.08	07/05/2008	MCWILLIAM'S HANWOOD ESTATE
Bermuda	42125	06/07/2005	42125	06/07/2005	J.J. MCWILLIAM
Cambodia	29649	17/12/2007	KH2810008	29/02/2008	MCWILLIAM'S HANWOOD ESTATE
Canada	1229864	10/09/2004	718479	14/07/2008	J.J. MCWILLIAM

Country/Jurisdiction	App No.	Filing Date	Registration No	Registration Date	Trademark Name
Canada	1177442	08/05/2003	683132	07/03/2007	MCWILLIAM'S 1877
Canada	1155535	11/10/2002	620145	20/09/2004	MCWILLIAM'S HANWOOD ESTATE
Canada	1346369	07/05/2007	740001	13/05/2009	MOUNT PLEASANT
Canada	1177271	06/05/2003	647193	01/09/2005	STENTIFORD'S
Caribbean Netherlands (Bonaire, St Eustatius, Saba)	1328	01/07/2011	1328	01/07/2011	MCWILLIAM'S HANWOOD ESTATE
China (People's Republic)	4415174	14/12/2004	4415174	21/06/2007	J.J. MCWILLIAM
China (People's Republic)	7718740	23/09/2009	7718740	28/11/2010	J.J. MCWILLIAM (Chinese Characters)
China (People's Republic)	7718739	23/09/2009	7718739	28/11/2010	MCWILLIAM'S (Chinese Characters)
China (People's Republic)	4208337	06/08/2004	4208337	28/10/2006	MCWILLIAM'S HANWOOD ESTATE
China (People's Republic)	7718741	23/09/2009	7718741	28/11/2010	MCWILLIAM'S HANWOOD ESTATE (Chinese Characters)
Colombia	11095155	28/07/2011	446815	26/03/2012	MCWILLIAM'S HANWOOD ESTATE
Costa Rica	20040003568	20/05/2004	156928	27/02/2006	MCWILLIAM'S HANWOOD ESTATE
Croatia	Z20101673A	20/09/2010	Z20101673	11/08/2011	MCWILLIAM'S HANWOOD ESTATE
Curacao	D-500404	15/07/2005	11486	15/07/2005	J.J. MCWILLIAM

Country/Jurisdiction	App No.	Filing Date	Registration No	Registration Date	Trademark Name
Curacao	D100410	17/08/2010	14964	07/09/2010	MCWILLIAM'S HANWOOD ESTATE
Dominica	77/06	28/06/2006	77/06	30/06/2008	J.J. MCWILLIAM
Dominican Republic	2005-40885	29/06/2005	149243	29/08/2005	J.J. MCWILLIAM
Dominican Republic	2008-5101	29/02/2008	167312	29/05/2008	MCWILLIAM'S HANWOOD ESTATE
Ethiopia	FTM16302013	04/12/2013			MCWILLIAM'S
European Community	4142162	25/11/2004	4142162	30/01/2008	ELIZABETH
European Community	4017091	09/09/2004	4017091 (CTM)	03/01/2006	J.J. MCWILLIAM
European Community	3845146	21/05/2004	3845146	30/09/2005	JOHN JAMES MCWILLIAM
European Community	4150041	01/12/2004	4150041	21/12/2005	LOVEDALE
European Community	2093268	12/02/2001	2093268	18/03/2002	MCWILLIAM'S HANWOOD ESTATE
European Community	4141214	25/11/2004	4141214	21/12/2005	MOUNT PLEASANT
European Community	6829204	14/04/2008	6829204	16/01/2009	MOUNT PLEASANT ELIZABETH
Fiji	869/10	15/11/2010	86910	15/11/2010	J.J. MCWILLIAM
Fiji	165/10	25/02/2010	165/10	02/08/2010	MCWILLIAM'S HANWOOD ESTATE
France	103703855	11/01/2010	103703855	11/01/2010	MCWILLIAM'S HANWOOD

Country/Jurisdiction	App No.	Filing Date	Registration No	Registration Date	Trademark Name
Haiti	0	15/07/2005	30/149	15/02/2006	J.J. MCWILLIAM
Hong Kong	300320615	17/11/2004	303320615	17/11/2004	J.J. MCWILLIAM
Hong Kong	300367164	04/02/2005	300367164	04/02/2005	J.J. MCWILLIAM (J.J. Mak Wai Lim characters)
Hong Kong	300253205	21/07/2004	300253205	21/07/2004	MCWILLIAM'S HANWOOD ESTATE
Hong Kong	300276697	30/08/2004	300276697	30/08/2004	MCWILLIAM'S HANWOOD ESTATE (Chinese Characters series)
Iceland	1424/2005	27/05/2005	832/2005	03/10/2005	J.J. MCWILLIAM
Iceland	1425/2004	26/05/2004	680/2004	06/09/2004	JOHN JAMES MCWILLIAM
Iceland	916/2004	05/04/2004	590/2004	05/07/2004	MCWILLIAM'S HANWOOD ESTATE
India	1324619	08/12/2004	1324619	10/07/2007	J.J. MCWILLIAM
India	1277762	08/04/2004	1277762	05/10/2006	MCWILLIAM'S HANWOOD ESTATE
Jamaica	47126	27/07/2005	47126	27/07/2005	J.J. MCWILLIAM
Jamaica	49645	18/12/2006	49645	18/12/2006	MCWILLIAM'S HANWOOD ESTATE
Japan	2004-083203	09/09/2004	4852949	01/04/2005	J.J. MCWILLIAM
Japan	2006-056379	16/06/2006	5032917	16/03/2007	MCWILLIAM (Katakana)
Japan	62-022334	05/03/1987	2157779	31/07/1989	MCWILLIAM'S

Country/Jurisdiction	App No.	Filing Date	Registration No	Registration Date	Trademark Name
Japan	1018722	02/03/2001	4558464	05/04/2002	MCWILLIAM'S HANWOOD ESTATE
Japan	2004-061461	02/07/2004	4841108	25/02/2005	STENTIFORD'S
Korea, Republic of	40-2004-43305	21/09/2004	628529	19/08/2005	J.J. MCWILLIAM
Korea, Republic of	40-2004-30265	02/07/2004	623672	05/07/2005	MCWILLIAM'S HANWOOD ESTATE
Korea, Republic of	40-2004-30266	02/07/2004	623673	05/07/2005	STENTIFORD'S
Macedonia	TM 2010/1047	17/09/2010			MCWILLIAM'S HANWOOD ESTATE
Malaysia	2004-17936	17/11/2004	4017936	17/11/2004	J.J. MCWILLIAM
Malaysia	4012779	27/08/2004	4012779	27/12/2006	MCWILLIAM'S HANWOOD ESTATE
Mexico	779686	27/04/2006	935091	26/05/2006	MCWILLIAM'S HANWOOD ESTATE
Montenegro	Z-2010/332	17/09/2010	7108	24/01/2013	MCWILLIAM'S HANWOOD ESTATE
Norway	200406076	08/06/2004	226964	08/06/2005	JOHN JAMES MCWILLIAM
Norway	200404224	23/04/2004	226911	03/06/2005	MCWILLIAM'S HANWOOD ESTATE
Panama	174817	11/09/2008	174817	11/09/2008	MCWILLIAM'S HANWOOD ESTATE
Papua New Guinea	68881	13/04/2010	A6881	07/07/2011	MCWILLIAM'S HANWOOD ESTATE
Peru	380181	27/01/2009	153663	10/06/2009	MCWILLIAM'S HANWOOD ESTATE

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Puerto Rico	79444	16/02/2012			MCWILLIAM'S HANWOOD ESTATE
Romania	M2010-06764	22/09/2010	112651	21/02/2011	MCWILLIAM'S HANWOOD ESTATE
Samoa	5703	16/03/2010	5703	17/03/2011	MCWILLIAM'S HANWOOD ESTATE
Serbia	Z-1988/10	03/12/2010	62617	19/04/2011	MCWILLIAM'S HANWOOD ESTATE
Singapore	T04/00440D	16/01/2004	T04/00440D	15/01/2004	HANWOOD ESTATE
Singapore	19386Z	05/11/2004	T04/19386Z	05/11/2004	J.J. MCWILLIAM
Singapore	T09/06906G	25/06/2009	T09/06906G	25/06/2009	MCWILLIAM'S HANWOOD ESTATE
Sri Lanka	171384	23/05/2012			J.J. MCWILLIAM
Sri Lanka	171385	23/05/2012			MCWILLIAM'S HANWOOD ESTATE
St. Kitts and Nevis	232/2005	15/07/2005	232/2005	08/03/2006	J.J. MCWILLIAM
St. Kitts and Nevis	2005/0170	14/06/2005	2005/0170	01/11/2005	MCWILLIAM'S HANWOOD ESTATE
St. Lucia	2005/000196	02/08/2005	2005/000169	18/01/2006	J.J. MCWILLIAM
St. Maarten	D100410	17/08/2010	13455	07/09/2010	MCWILLIAM'S HANWOOD ESTATE
St. Vincent and the Grenadines	199/2005	22/09/2005	199/2005	01/12/2006	J.J. MCWILLIAM
Switzerland	03919/04	23/11/2004	529535	23/11/2004	J.J. MCWILLIAM

Country/Jurisdiction	App No.	Filing Date	Registration No	Registration Date	Trademark Name
Switzerland	523455	10/06/2004	523455	20/07/2004	JOHN JAMES MCWILLIAM
Switzerland	55959/2005	19/07/2005	537668	12/09/2005	MCWILLIAM'S HANWOOD ESTATE
Switzerland	58748/2004	20/12/2004	530257	16/02/2005	MOUNT PLEASANT ELIZABETH
Switzerland	58747/2004	20/12/2004	530256	16/02/2005	MOUNT PLEASANT LOVEDALE
Taiwan	93055121	25/11/2004	1167315	01/08/2005	J.J. MCWILLIAM
Taiwan	94004859	31/01/2005	1171852	01/09/2005	J.J. MCWILLIAM (Chinese Characters)
Taiwan	93023692	24/05/2004	1149383	16/04/2005	MCWILLIAM'S HANWOOD ESTATE
Taiwan	94013131	24/03/2005	1182104	16/11/2005	MCWILLIAM'S HANWOOD ESTATE (Chinese Characters)
Thailand	578679	14/01/2005	241812	23/05/2006	J.J. MCWILLIAM
Thailand	578678	14/01/2005	234797	14/01/2005	MCWILLIAM'S HANWOOD ESTATE
Trinidad and Tobago	36374	22/08/2005	36374	16/03/2007	J.J. MCWILLIAM (stylized)
Turks and Caicos Islands	15819	31/03/2009	15819	31/03/2009	MCWILLIAM'S HANWOOD ESTATE
United Kingdom	1553490	31/10/1994	1553490	27/10/1995	HANWOOD
United Kingdom	1553452	11/11/1993	1553452	23/02/1996	MCWILLIAM'S
United States of America	78/085423	25/09/2001	2904624	23/11/2004	HANWOOD ESTATE

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United States of America	77233824	19/07/2007	3398199	18/03/2008	MCWILLIAM'S
United States of America	78224912	12/03/2003	3032801	20/12/2005	MCWILLIAM'S "1877"
United States of America	76309995	07/09/2001	2765123	16/09/2003	MCWILLIAM'S HANWOOD ESTATE
United States of America	85328682	24/05/2011	4184198	31/07/2012	MCWILLIAM'S HANWOOD ESTATE JACK'S BLEND
United States of America	78212432	07/02/2003	3016097	15/11/2005	STENTIFORD'S RESERVE
Vietnam	4-2005-07968	30/06/2005	80133	16/03/2007	MCWILLIAM'S HANWOOD ESTATE
Virgin Islands (British)	3124	14/11/2005	4431	02/03/2007	J.J. MCWILLIAM

Schedule 5 – Other Brands Stock

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U4	34	FIN:28742007	Brand's Laira	Cabernet Sauvignon	Coonawarra - Blockers	2007	L	S	750	1
U6	72		Brand's Laira	Riesling	Coonawarra	1999	L	S	750	1
DW4	Rack-07	UNL:U13T	Brand's Laira	Cabernet Sauvignon	Patron	2006	U	S	750	1
DW4	Rack-10	FIN:03971996	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	L	C	750	1
DW4	Rack-10		Brand's Laira	Shiraz	Coonawarra	2000	L	C	750	1
DW4	Rack-10	UNL:U375	Brand's Laira	Cabernet Sauvignon		2000	U	C	750	1
DW4	Rack-10	UNL:U374	Brand's Laira	Cabernet Sauvignon		1998	U	C	750	1
DW4	Rack-11	UNL:U088	Brand's Laira	Shiraz		2000	U	C	750	1
DW4	Rack-11	FIN:03971999	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	1
DW4	Rack-14	FIN:03972000	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2000	L	C	750	1
U5	62	FIN:86302009	Evans & Tate	Cabernet Sauvignon	Metricup Road	2009	L	S	750	6
U9	51	FIN:10052011	Evans & Tate	Chardonnay	Metricup Road	2011	L	S	750	19
U9	52	FIN:10052011	Evans & Tate	Chardonnay	Metricup Road	2011	L	S	750	2

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U9	52	FIN:10052010	Evans & Tate	Chardonnay	Metricup Road	2010	L	S	750	8
U9	53	FIN:86302009	Evans & Tate	Cabernet Sauvignon	Metricup Road	2009	L	S	750	4
U9	54	FIN:14502011	Evans & Tate	Cabernet Merlot	Metricup Road	2011	L	S	750	4
U9	55	FIN:14502011	Evans & Tate	Cabernet Merlot	Metricup Road	2011	L	S	750	20
U9	56	FIN:10082009	Evans & Tate	Shiraz	Metricup Road	2009	L	S	750	10
U9	57	FIN:01292009	Evans & Tate	Chardonnay	Redbrook	2009	L	S	750	15
U9	58	FIN:01292009	Evans & Tate	Chardonnay	Redbrook	2009	L	S	750	20
U9	59	FIN:01292009	Evans & Tate	Chardonnay	Redbrook	2009	L	S	750	20
U9	60	FIN:01292008	Evans & Tate	Chardonnay	Redbrook	2008	L	S	750	20
U9	61	FIN:01292008	Evans & Tate	Chardonnay	Redbrook	2008	L	S	750	20
U9	62	FIN:01292008	Evans & Tate	Chardonnay	Redbrook	2008	L	S	750	12
U9	63	FIN:07382010	Evans & Tate	Chardonnay	Redbrook	2010	L	S	750	11
U9	64	FIN:01292006	Evans & Tate	Chardonnay	The Reserve	2006	L	S	750	14
U9	65	FIN:01292006	Evans & Tate	Chardonnay	The Reserve	2006	L	S	750	20
U9	66	FIN:01292006	Evans & Tate	Chardonnay	The Reserve	2006	L	S	750	20
U9	67	FIN:01382009	Evans & Tate	Cabernet Sauvignon	Redbrook	2009	L	S	750	10
U9	68	FIN:01382009	Evans & Tate	Cabernet Sauvignon	Redbrook	2009	L	S	750	20
U9	69	FIN:01382009	Evans & Tate	Cabernet Sauvignon	Redbrook	2009	L	S	750	20
U9	70	FIN:01382009	Evans & Tate	Cabernet Sauvignon	Redbrook	2009	L	S	750	20
U9	71	FIN:01382009	Evans & Tate	Cabernet Sauvignon	Redbrook	2009	L	S	750	20

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U9	72	FIN:01382008	Evans & Tate	Cabernet Sauvignon	Redbrook	2008	L	S	750	3
U9	73	FIN:01382008	Evans & Tate	Cabernet Sauvignon	Redbrook	2008	L	S	750	20
U9	74	FIN:01382008	Evans & Tate	Cabernet Sauvignon	Redbrook	2008	L	S	750	20
U9	75	FIN:01382008	Evans & Tate	Cabernet Sauvignon	Redbrook	2008	L	S	750	20
U9	76	FIN:01382005	Evans & Tate	Cabernet Sauvignon	The Reserve	2005	L	S	750	6
U9	77	FIN:01382005	Evans & Tate	Cabernet Sauvignon	The Reserve	2005	L	S	750	20
U9	78	FIN:01382005	Evans & Tate	Cabernet Sauvignon	The Reserve	2005	L	S	750	20
U9	79	FIN:01382005	Evans & Tate	Cabernet Sauvignon	The Reserve	2005	L	S	750	20
U9	80	FIN:01362005	Evans & Tate	Shiraz	The Reserve	2005	L	S	750	20
U9	81	FIN:01362005	Evans & Tate	Shiraz	The Reserve	2005	L	S	750	20
U9	82	FIN:01362005	Evans & Tate	Shiraz	The Reserve	2005	L	S	750	18
U9	83	FIN:01362008	Evans & Tate	Shiraz	Redbrook	2008	L	S	750	2
U9	84	FIN:01362008	Evans & Tate	Shiraz	Redbrook	2008	L	S	750	19
U9	85	FIN:01362008	Evans & Tate	Shiraz	Redbrook	2008	L	S	750	19
U9	86	FIN:01362008	Evans & Tate	Shiraz	Redbrook	2008	L	S	750	19
U9	87	FIN:01362009	Evans & Tate	Shiraz	Redbrook	2009	L	S	750	19
U9	88	FIN:01362009	Evans & Tate	Shiraz	Redbrook	2009	L	S	750	19
U9	89	FIN:01362009	Evans & Tate	Shiraz	Redbrook	2009	L	S	750	19
U9	90	FIN:01362009	Evans & Tate	Shiraz	Redbrook	2009	L	S	750	19
DW4	Rack-07		Evans & Tate	Shiraz	Margaret River	2007	L	S	750	1

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
DW4	Rack-08		Evans & Tate	Merlot	Margaret River	2007	L	S	750	1
DW4	Rack-08		Evans & Tate	Sauvignon blanc	Margaret River	2009	U	S	750	1
DW4	Rack-08		Evans & Tate	Chardonnay	Margaret River	2007	L	S	750	2
DW4	Pallet-04	FIN:86312013	Evans & Tate	Chardonnay	Metricup Road	2013	L	S	750	12
DW4	Pallet-04	FIN:01852012	Evans & Tate	Semillon Sauvignon Blanc	Classic	2012	L	S	750	6
DW4	Pallet-04	FIN:01292009	Evans & Tate	Chardonnay	Redbrook	2009	L	S	750	2
DW4	Pallet-04	FIN:01382005	Evans & Tate	Cabernet Sauvignon	The Reserve	2005	L	S	750	1
DW4	Pallet-04	FIN:01382007	Evans & Tate	Cabernet Sauvignon	Redbrook	2007	L	S	750	1
DW4	Pallet-04		Evans & Tate	Shiraz	MR	2010	L	S	750	1
DW4	Pallet-04	FIN:07382012	Evans & Tate	Chardonnay	Redbrook	2012	L	S	750	24
DW4	Pallet-04	FIN:01362007	Evans & Tate	Shiraz	Redbrook	2007	L	S	750	3
DW4	Pallet-05	FIN:01362005	Evans & Tate	Shiraz	The Reserve	2005	L	S	750	198
DW4	Pallet-05	FIN:01382005	Evans & Tate	Cabernet Sauvignon	The Reserve	2005	L	S	750	102
DW4	Pallet-05	FIN:01382008	Evans & Tate	Cabernet Sauvignon	Redbrook	2008	L	S	750	48
DW4	Pallet-05	FIN:01362008	Evans & Tate	Shiraz	Redbrook	2008	L	S	750	18
U1	1	UNL:U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U1	2	UNL:U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U1	3	UNL:U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U1	4	UNL:U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	2
U1	53	UNL:U688	Lilydale	Gewurztraminer	Yarra Valley	2004	U	C	375	18

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U1	54		Lilydale	Desert wine	Yarra Valley	1992	L	C	375	12
U1	55	FIN:05642004	Lilydale	Gewurztraminer	Yarra Valley	2004	L	S	750	12
U1	56	FIN:05641991	Lilydale	Trophy Gewurztraminer	Yarra Valley	1991	L	C	750	18
U1	57	FIN:05571988	Lilydale	Gewurztraminer	Reserve	1988	L	C	750	20
U1	58	FIN:05571988	Lilydale	Gewurztraminer	Reserve	1988	L	C	750	3
U1	58	FIN:05571987	Lilydale	Gewurztraminer		1987	L	C	750	11
U1	59		Lilydale	Traminer		1985	L	C	750	4
U1	59	FIN:05571981	Lilydale	Gewurztraminer	Yarra Valley	1981	L	C	750	6
U1	59	FIN:45631990	Lilydale	Rhine Riesling		1990	L	C	750	5
U1	60	FIN:05571982	Lilydale	Traminer		1982	L	C	750	4
U1	60	FIN:05571983	Lilydale	Traminer		1983	L	C	750	5
U1	60		Lilydale	Traminer		1984	L	C	750	7
U1	61	FIN:05651987	Lilydale	Late Harvest Riesling		1987	L	C	750	8
U1	61	FIN:05631987	Lilydale	Rhine Riesling		1987	L	C	750	11
U1	62	FIN:05651987	Lilydale	Late Harvest Riesling		1987	L	C	750	20
U1	63	FIN:05631984	Lilydale	Rhine Riesling		1984	L	C	750	4
U1	63	FIN:05631985	Lilydale	Rhine Riesling		1985	L	C	750	6
U1	63	FIN:05631986	Lilydale	Rhine Riesling		1986	L	C	750	6
U1	64	FIN:05622005	Lilydale	Sauvignon Blanc	Yarra Valley	2005	L	S	750	11
U1	64	FIN:05641995	Lilydale	Gewurztraminer	Yarra Valley	1995	L	C	750	3

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U1	65	FIN:05682005	Lilydale	Chardonnay	Yarra Valley	2005	L	S	750	10
U1	65	FIN:05682006	Lilydale	Chardonnay	Yarra Valley	2006	L	S	750	2
U1	66	FIN:05681998	Lilydale	Chardonnay	Yarra Valley	1998	L	C	750	16
U1	67	FIN:05681996	Lilydale	Chardonnay	Yarra Valley	1996	L	C	750	5
U1	68	FIN:05681996	Lilydale	Chardonnay	Yarra Valley	1996	L	C	750	20
U1	69	FIN:05681995	Lilydale	Chardonnay	Yarra Valley	1995	L	C	750	20
U1	70	FIN:05681994	Lilydale	Chardonnay	Yarra Valley	1994	L	C	750	16
U1	71		Lilydale	Chardonnay	Yarra Valley	1993	L	C	750	16
U1	72		Lilydale	Chardonnay	Yarra Valley	1990	L	C	750	6
U1	73	FIN:05551986	Lilydale	Chardonnay	Yarra Valley	1986	L	C	750	6
U1	73	FIN:05551987	Lilydale	Chardonnay	Yarra Valley	1987	L	C	750	7
U1	74	FIN:05702005	Lilydale	Pinot Noir	Yarra Valley	2005	L	S	750	12
U1	75	FIN:05702004	Lilydale	Pinot Noir	Yarra Valley	2004	L	S	750	12
U1	76	FIN:05742001	Lilydale	Shiraz	Yarra Valley	2001	L	C	750	10
U1	77	FIN:05712002	Lilydale	Cabernet Merlot	Yarra Valley	2002	L	C	750	6
U1	78	FIN:05712001	Lilydale	Cabernet Merlot	Yarra Valley	2001	L	C	750	11
U1	79	FIN:05711997	Lilydale	Cabernet Merlot	Yarra Valley	1997	L	C	750	5
U1	80	FIN:05711998	Lilydale	Cabernet Merlot	Yarra Valley	1998	L	C	750	11
U1	81	FIN:05711998	Lilydale	Cabernet Merlot	Yarra Valley - different label	1998	L	C	750	17

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U1	82	FIN:05701999	Lilydale	Pinot Noir	Yarra Valley	1999	L	C	750	8
U1	82	UNL:U460	Lilydale	Cabernet Merlot	Yarra Valley	1999	U	C	750	1
U1	83	FIN:05681998	Lilydale	Chardonnay	Yarra Valley	1998	L	C	750	14
U1	84	FIN:05681998	Lilydale	Chardonnay	Yarra Valley	1998	L	C	750	19
U1	85	FIN:05681998	Lilydale	Chardonnay	Yarra Valley	1998	L	C	750	19
U1	86	FIN:05681998	Lilydale	Chardonnay	Yarra Valley	1998	L	C	750	19
U1	87	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	13
U1	88	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	19
U1	89	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	19
U1	90	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	19
U2	1	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U2	2	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U2	3	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U2	4	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U2	5	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	19
U2	6	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	7	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	8	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	9	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	10	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U2	11	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	12	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	13	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	14	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	15	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	16	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	17	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	18	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	19	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	20	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	21	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	22	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	23	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	24	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	25	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	26	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	27	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	28	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	29	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	30	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U2	31	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	32	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U2	33	U091	Lilydale	Cabernet Merlot	Yarra Valley	2000	U	C	750	20
U5	33	UNL:U18V2011	Lilydale	Chardonnay		2011	U	S	750	12
U5	34	UNL:U18X2010	Lilydale	Pinot Noir		2010	U	S	750	12
U5	44	UNL:U18V2010	Lilydale	Chardonnay		2010	L	S	750	5
U5	45	UNL:U18V2010	Lilydale	Chardonnay		2010	U	S	750	7
U5	46	FIN:05742002	Lilydale	Shiraz	Yarra Valley	2002	L	C	750	4
U5	55	UNL:U01A	Lilydale	Cabernet Merlot	Holdback	2004	U	S	750	3
U5	55	UNL:U687	Lilydale	Shiraz	Holdback	2003	U	S	750	9
D14	72	UNL:U589	Lilydale	Pinot Noir	Lilydale	2003	U	S	750	14
D14	73	UNL:U589	Lilydale	Pinot Noir	Lilydale	2003	U	S	750	14
D13	1		Lilydale	Chardonnay	Lilydale	1984	L	C	750	15
D13	2		Lilydale	Chardonnay	Lilydale	1991	U	C	750	16
D13	3		Lilydale	Chardonnay	Yarra Valley	1981	L	C	750	11
D13	3	FIN:05681998	Lilydale	Chardonnay	Yarra Valley	1998	L	C	750	1
D13	3	UNL:U208	Lilydale	Chardonnay	Yarra Valley	1998	U	C	750	2
D13	4		Lilydale	Chardonnay	Yarra Valley	1999	L	C	750	1
D13	4		Lilydale	Chardonnay	Yarra Valley	1999	U	C	750	2
D13	5	FIN:05551980	Lilydale	Chardonnay	Yarra Valley	1980	L	C	750	12

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D13	6	FIN:05551980	Lilydale	Chardonnay	Yarra Valley	1980	L	C	750	12
D13	7	FIN:05551982	Lilydale	Chardonnay	Yarra Valley	1982	L	C	750	11
D13	8	FIN:05551983	Lilydale	Chardonnay	Yarra Valley	1983	L	C	750	8
D13	9		Lilydale	Chardonnay	Yarra Valley	1984	L	C	750	8
D13	10	FIN:05551985	Lilydale	Chardonnay	Yarra Valley	1985	L	C	750	13
D13	11	FIN:05551985	Lilydale	Chardonnay	Yarra Valley	1985	L	C	750	13
D13	12	FIN:05551986	Lilydale	Chardonnay	Yarra Valley	1986	L	C	750	10
D13	13	FIN:05551986	Lilydale	Chardonnay	Yarra Valley	1986	L	C	750	9
D13	14		Lilydale	Chardonnay	Yarra Valley	1991	L	C	750	16
D13	15		Lilydale	Chardonnay	Yarra Valley	1992	L	C	750	8
D13	16	FIN:05681993	Lilydale	Chardonnay	Yarra Valley	1993	L	C	750	16
D13	17	FIN:05681993	Lilydale	Chardonnay	Yarra Valley	1993	L	C	750	16
D13	18	FIN:05641995	Lilydale	Gewurztraminer	Yarra Valley	1995	L	C	750	13
D13	19		Lilydale	Chardonnay	Yarra Valley	1990	L	C	750	8
D13	20	FIN:05641980	Lilydale	Traminer	Yarra Valley	1980	L	C	750	6
D13	21	FIN:05571981	Lilydale	Gewurztraminer	Yarra Valley	1981	L	C	750	10
D13	22	FIN:05571982	Lilydale	Traminer	Yarra Valley	1982	L	C	750	9
D13	23	FIN:05571983	Lilydale	Traminer	Yarra Valley	1983	L	C	750	8
D13	24		Lilydale	Traminer	Yarra Valley	1984	L	C	750	11
D13	25		Lilydale	Traminer	Yarra Valley	1985	L	C	750	8

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D13	26		Lilydale	Traminer	Yarra Valley	1987	L	C	750	10
D13	28	FIN:05571988	Lilydale	Gewurztraminer	Yarra Valley	1988	L	C	750	9
D13	29	FIN:05641991	Lilydale	Gewurztraminer	Yarra Valley	1991	L	C	750	9
D13	30		Lilydale	Yarra Gold	Yarra Valley	2014	L	C	750	5
D13	31		Lilydale	Desert wine	Yarra Gold	1992	L	C	375	15
D13	32	FIN:05651987	Lilydale	Riesling	Late Harvest	1987	L	C	750	17
D13	33	FIN:45631990	Lilydale	Rhine Riesling		1990	L	C	750	10
D13	34	FIN:05631987	Lilydale	Rhine Riesling		1987	L	C	750	10
D13	35	FIN:05631986	Lilydale	Rhine Riesling		1986	L	C	750	17
D13	36	FIN:05631985	Lilydale	Rhine Riesling		1985	L	C	750	14
D13	37	FIN:05631984	Lilydale	Rhine Riesling		1984	L	C	750	17
D13	38		Lilydale	Gewurztraminer	Yarra Valley	1996	L	C	750	18
D13	39		Lilydale	Gewurztraminer	Yarra Valley	1996	L	C	750	17
D13	40	FIN:05641995	Lilydale	Gewurztraminer	Yarra Valley	1995	L	C	750	18
D13	41	FIN:05641995	Lilydale	Gewurztraminer	Yarra Valley	1995	L	C	750	1
D13	41		Lilydale	Traminer	Yarra Valley	1995	U	C	750	2
D13	41		Lilydale	Gewurztraminer	Yarra Valley	1990	L	C	750	4
D12	1	UNL:U166	Lilydale	Sauvignon Blanc	Lilydale	1998	U	C	750	17
D12	2	UNL:U166	Lilydale	Sauvignon Blanc	Lilydale	1998	U	C	750	6
D12	3		Lilydale	Sauvignon Blanc	Lilydale	1999	U	C	750	17

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D12	4		Lilydale	Sauvignon Blanc	Lilydale	1999	U	C	750	17
D12	5		Lilydale	Sauvignon Blanc	Lilydale	1995	U	C	750	11
D12	6	FIN:05621997	Lilydale	Sauvignon Blanc	Yarra	1997	L	C	750	17
D12	7	FIN:05621997	Lilydale	Sauvignon Blanc	Yarra	1997	L	C	750	4
D12	8	UNL:U860	Lilydale	Sauvignon Blanc	Lilydale	1996	U	C	750	16
D12	21		Lilydale	Pinot Noir	Lilydale	1990	U	C	750	4
D12	21		Lilydale	Pinot Noir	Yarra	1990	L	C	750	4
D12	21		Lilydale	Pinot Noir	Yarra	1996	L	C	750	2
D12	21	UNL:U837	Lilydale	Pinot Noir	Lilydale	1995	U	C	750	5
D12	22	UNL:U349	Lilydale	Pinot Noir	Lilydale	1999	U	C	750	3
D12	23		Lilydale	Pinot Noir	Lilydale	1993	U	C	750	12
D12	24		Lilydale	Pinot Noir	Lilydale	1994	U	C	750	13
D12	25		Lilydale	Cabernet Merlot	Lilydale	1992	U	C	750	8
D12	26		Lilydale	Cabernet Merlot	Lilydale	1990	U	C	750	13
D12	27	UNL:U831	Lilydale	Cabernet Merlot	Lilydale	1994	U	C	750	12
D12	28	UNL:U204	Lilydale	Cabernet Merlot	Lilydale	1997	U	C	750	7
D12	29	UNL:U204	Lilydale	Cabernet Merlot	Lilydale	1997	U	C	750	18
D12	30	UNL:U350	Lilydale	Cabernet Merlot	Lilydale	1998	U	C	750	17
D12	31	FIN:05712000	Lilydale	Cabernet Merlot	Yarra Valley	2000	L	C	750	10
D12	32	FIN:05712000	Lilydale	Cabernet Merlot	Yarra Valley	2000	L	C	750	18

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D12	33	FIN:05712000	Lilydale	Cabernet Merlot	Yarra Valley	2000	L	C	750	18
D12	34	FIN:05711999	Lilydale	Cabernet Merlot	Yarra Valley	1999	L	C	750	13
D12	35	FIN:05711999	Lilydale	Cabernet Merlot	Yarra Valley	1999	L	C	750	18
D12	36	FIN:05711998	Lilydale	Cabernet Merlot	Yarra Valley	1998	L	C	750	4
D12	36	FIN:05711999	Lilydale	Cabernet Merlot	Yarra Valley	1999	L	C	750	13
D12	37	FIN:05711998	Lilydale	Cabernet Merlot	Yarra Valley	1998	L	C	750	18
D12	38	FIN:05711998	Lilydale	Cabernet Merlot	Yarra Valley	1998	L	C	750	18
D12	39	FIN:05711997	Lilydale	Cabernet Merlot	Yarra Valley	1997	L	C	750	10
D12	39	FIN:05711998	Lilydale	Cabernet Merlot	Yarra Valley	1998	L	C	750	5
D12	40	FIN:05711997	Lilydale	Cabernet Merlot	Yarra Valley	1997	L	C	750	18
D12	41	FIN:05711996	Lilydale	Cabernet Merlot	Yarra Valley	1996	L	C	750	3
D12	41	FIN:05711997	Lilydale	Cabernet Merlot	Yarra Valley	1997	L	C	750	13
D12	42	FIN:05711996	Lilydale	Cabernet Merlot	Yarra Valley	1996	L	C	750	18
D12	43	FIN:05711996	Lilydale	Cabernet Merlot	Yarra Valley	1996	L	C	750	18
D12	44	FIN:05711995	Lilydale	Cabernet Merlot	Yarra Valley	1995	L	C	750	10
D12	44	FIN:05711996	Lilydale	Cabernet Merlot	Yarra Valley	1996	L	C	750	7
D12	45	FIN:05711995	Lilydale	Cabernet Merlot	Yarra Valley	1995	L	C	750	18
D12	46		Lilydale	Cabernet Merlot	Yarra Valley	1991	L	C	750	8
D12	46	FIN:05711995	Lilydale	Cabernet Merlot	Yarra Valley	1995	L	C	750	6
D12	47		Lilydale	Cabernets	Yarra Valley	1989	L	C	750	11

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D12	48		Lilydale	Cabernets	Yarra Valley	1989	L	C	750	17
D12	49		Lilydale	Cabernets	Yarra Valley	1989	L	C	750	17
D12	50		Lilydale	Cabernets	Yarra Valley	1989	L	C	750	17
D12	51		Lilydale	Cabernet Sauvignon	Lilydale	1988	U	C	750	11
D12	51		Lilydale	Cabernets	Yarra Valley	1989	L	C	750	6
D12	52	FIN:05591986	Lilydale	Cabernet Sauvignon	Lilydale	1986	L	C	750	7
D12	52		Lilydale	Cabernet Sauvignon	Lilydale	1988	U	C	750	9
D12	53	FIN:05591986	Lilydale	Cabernet Sauvignon	Lilydale	1986	L	C	750	16
D12	54		Lilydale	Cabernet Sauvignon	Lilydale	1985	L	C	750	8
D12	54	FIN:05591986	Lilydale	Cabernet Sauvignon	Lilydale	1986	L	C	750	8
D12	55		Lilydale	Cabernet Sauvignon	Lilydale	1985	L	C	750	17
D12	56	FIN:05591984	Lilydale	Cabernet Sauvignon	Lilydale	1984	L	C	750	5
D12	56		Lilydale	Cabernet Sauvignon	Lilydale	1985	L	C	750	8
D12	57	FIN:05591984	Lilydale	Cabernet Sauvignon	Lilydale	1984	L	C	750	16
D12	58	FIN:05591984	Lilydale	Cabernet Sauvignon	Lilydale	1984	L	C	750	16
D12	59	FIN:05591983	Lilydale	Cabernet Sauvignon	Lilydale	1983	L	C	750	17
D12	60	FIN:05591983	Lilydale	Cabernet Sauvignon	Lilydale	1983	L	C	750	18
D12	62	FIN:05642000	Lilydale	Gewurztraminer	Yarra Valley	2000	L	C	750	8
D12	63		Lilydale	Traminer	Lilydale	2000	U	C	750	14
D12	64	FIN:05621997	Lilydale	Sauvignon blanc	Yarra Valley	1997	L	C	750	11

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D12	65	FIN:05621997	Lilydale	Sauvignon blanc	Yarra Valley	1997	L	C	750	18
D12	66	FIN:05621997	Lilydale	Sauvignon blanc	Yarra Valley	1997	L	C	750	18
D12	67	FIN:05621996	Lilydale	Sauvignon blanc	Yarra Valley	1996	L	C	750	13
D12	68	FIN:05621996	Lilydale	Sauvignon blanc	Yarra Valley	1996	L	C	750	15
D12	69	UNL:U125	Lilydale	Sauvignon blanc	Yarra Valley	1991	U	C	750	18
D12	70	UNL:U125	Lilydale	Sauvignon blanc	Yarra Valley	1991	U	C	750	18
D12	71	FIN:05621988	Lilydale	Sauvignon blanc	Yarra Valley	1988	L	C	750	9
D12	71		Lilydale	Sauvignon blanc	Yarra Valley	1989	L	C	750	6
D12	72	FIN:05621988	Lilydale	Sauvignon blanc	Yarra Valley	1988	L	C	750	17
D12	73	FIN:05681993	Lilydale	Chardonnay	Yarra Valley	1993	L	C	750	14
D12	74	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	3
D12	75	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	18
D12	76	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	18
D12	77	FIN:05701999	Lilydale	Pinot Noir	Yarra Valley	1999	L	C	750	10
D12	77	FIN:05702000	Lilydale	Pinot Noir	Yarra Valley	2000	L	C	750	7
D12	78	FIN:05701997	Lilydale	Pinot Noir	Yarra Valley	1997	L	C	750	2
D12	78	FIN:05701999	Lilydale	Pinot Noir	Yarra Valley	1999	L	C	750	14
D12	79	FIN:05701997	Lilydale	Pinot Noir	Yarra Valley	1997	L	C	750	18
D12	80	FIN:05701997	Lilydale	Pinot Noir	Yarra Valley	1997	L	C	750	18
D12	81	FIN:05701995	Lilydale	Pinot Noir	Yarra Valley	1995	L	C	750	2

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
D12	81	FIN:05701997	Lilydale	Pinot Noir	Yarra Valley	1997	L	C	750	16
D12	82	FIN:05701995	Lilydale	Pinot Noir	Yarra Valley	1995	L	C	750	18
D12	83	FIN:05701995	Lilydale	Pinot Noir	Yarra Valley	1995	L	C	750	18
D12	84	FIN:05701995	Lilydale	Pinot Noir	Yarra Valley	1995	L	C	750	18
D12	85		Lilydale	Pinot Noir	Yarra Valley	1989	L	C	750	8
D12	85	FIN:05701995	Lilydale	Pinot Noir	Yarra Valley	1995	L	C	750	3
D12	86	FIN:05581987	Lilydale	Pinot Noir	Yarra Valley	1987	L	C	750	3
D12	86		Lilydale	Pinot Noir	Yarra Valley	1989	L	C	750	13
D12	87	FIN:05581987	Lilydale	Pinot Noir	Yarra Valley	1987	L	C	750	17
D12	88	FIN:05581986	Lilydale	Pinot Noir	Yarra Valley	1986	L	C	750	4
D12	88	FIN:05581987	Lilydale	Pinot Noir	Yarra Valley	1987	L	C	750	12
D12	89	FIN:05581986	Lilydale	Pinot Noir	Yarra Valley	1986	L	C	750	16
D10	102	FIN:05702009	Lilydale	Pinot Noir	Valley Tasmania	2009	L	S	750	1
D10	103	FIN:05702009	Lilydale	Pinot Noir	Valley Tasmania	2009	L	S	750	10
DW4	Rack-08	UNL:U119	Lilydale	Sauvignon blanc		2002	U	S	750	1

DIRECTORS' STOCK - BRANDS LAIRA

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
U4	34	FIN:28742007	Brand's Laira	Cabernet Sauvignon	Coonawarra - Blockers	2007	L	S	750	1
U6	72		Brand's Laira	Riesling	Coonawarra	1999	L	S	750	1
DW4	Rack-07	UNL:U13T	Brand's Laira	Cabernet Sauvignon	Patron	2006	U	S	750	1
DW4	Rack-10	FIN:03971996	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	L	C	750	1
DW4	Rack-10		Brand's Laira	Shiraz	Coonawarra	2000	L	C	750	1
DW4	Rack-10	UNL:U375	Brand's Laira	Cabernet Sauvignon		2000	U	C	750	1
DW4	Rack-10	UNL:U374	Brand's Laira	Cabernet Sauvignon		1998	U	C	750	1
DW4	Rack-11	UNL:U088	Brand's Laira	Shiraz		2000	U	C	750	1
DW4	Rack-11	FIN:03971999	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	1
DW4	Rack-14	FIN:03972000	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2000	L	C	750	1
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1997	U	C	750	12
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1998	U	C	750	12
	Pallet 1		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1997	U	C	750	12
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1999	U	C	750	12
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1996	U	C	750	12
	Pallet 1		Brand's Laira	CAS	Stentiford's Reserve - Coonawarra	1996	U	C	750	12

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
	Pallet 1		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	U	C	750	12
	Pallet 1		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	U	C	750	12
	Pallet 1		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1998	U	C	750	12
	Pallet 2		Brand's Laira	CAS	Patron	2004	L	C	750	204
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	6
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1998	L	C	750	12
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	L	C	750	12
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2003	L	C	750	6
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2005	L	C	750	12
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	2002	L	C	750	12
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	2006	L	C	750	6
	Pallet 2		Brands Laira	CAS		1997	L	C	750	6
	Pallet 2		Brands Laira	CAS		2001	L	C	750	6
	Pallet 2		Brands Laira	CAS	Family Reserve	1990	L	C	750	6

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
	Pallet 2		Brands Laira	CAS		1991	L	C	750	6
	Pallet 2		Brands Laira	Shiraz	Patrons	1999	L	C	750	2
	Pallet 2		Brands Laira	CAS		1974	L	C	750	2
	Pallet 2		Brands Laira	Riesling		2002	L	C	750	2
	Pallet 2		Brands Laira		Patron	2000	L	C	750	3
	Pallet 2		Brands Laira	CAS		1984	L	C	750	3
	Pallet 2		Brands Laira	CAS	Patron	1998	L	C	750	12
	Pallet 2		Brands Laira	CAS		1999	L	C	750	12
	Pallet 2		Brands Laira	CAS		1990	L	C	750	6
	Pallet 2		Brands Laira	CAS	Patron	1999	L	C	750	6
	Pallet 2		Brands Laira	CAS MER		1994	L	C	750	6
	Pallet 2		Brands Laira	CAS		1994	L	C	750	6
	Pallet 2		Brands Laira	CAS		1996	L	C	750	6
	Pallet 2		Brands Laira	CAS		2000	L	C	750	6
	Pallet 2		Brands Laira	CAS		1986	L	C	750	12
	Pallet 2		Brands Laira	CAS	Blockers	2008	L	C	750	9
	Pallet 2		Brands Laira	Shiraz	OV	1991	L	C	750	3
	Pallet 2		Brands Laira	CAS		2004	L	C	750	2
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1997	L	C	750	2

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
	Pallet 2		Brands Laira	CAS	Patron	2006	U	C	750	2
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	2003	L	C	750	2
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	2
	Pallet 2		Brands Laira	CAS	Patron	2006	L	C	750	2
U4	34	FIN:28742007	Brand's Laira	Cabernet Sauvignon	Coonawarra - Blockers	2007	L	S	750	1
U6	72		Brand's Laira	Riesling	Coonawarra	1999	L	S	750	1
DW4	Rack-07	UNL:U13T	Brand's Laira	Cabernet Sauvignon	Patron	2006	U	S	750	1
DW4	Rack-10	FIN:03971996	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	L	C	750	1
DW4	Rack-10		Brand's Laira	Shiraz	Coonawarra	2000	L	C	750	1
DW4	Rack-10	UNL:U375	Brand's Laira	Cabernet Sauvignon		2000	U	C	750	1
DW4	Rack-10	UNL:U374	Brand's Laira	Cabernet Sauvignon		1998	U	C	750	1
DW4	Rack-11	UNL:U088	Brand's Laira	Shiraz		2000	U	C	750	1
DW4	Rack-11	FIN:03971999	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	1
DW4	Rack-14	FIN:03972000	Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2000	L	C	750	1
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1997	U	C	750	12
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1998	U	C	750	12

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
	Pallet 1		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1997	U	C	750	12
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1999	U	C	750	12
	Pallet 1		Brand's Laira	CAS SHI MER	Patron	1996	U	C	750	12
	Pallet 1		Brand's Laira	CAS	Stentiford's Reserve - Coonawarra	1996	U	C	750	12
	Pallet 1		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	U	C	750	12
	Pallet 1		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	U	C	750	12
	Pallet 1		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1998	U	C	750	12
	Pallet 2		Brand's Laira	CAS	Patron	2004	L	C	750	204
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	6
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1998	L	C	750	12
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	1996	L	C	750	12
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2003	L	C	750	6
	Pallet 2		Brand's Laira	Shiraz	Stentiford's Reserve - Coonawarra	2005	L	C	750	12

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	2002	L	C	750	12
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	2006	L	C	750	6
	Pallet 2		Brands Laira	CAS		1997	L	C	750	6
	Pallet 2		Brands Laira	CAS		2001	L	C	750	6
	Pallet 2		Brands Laira	CAS	Family Reserve	1990	L	C	750	6
	Pallet 2		Brands Laira	CAS		1991	L	C	750	6
	Pallet 2		Brands Laira	Shiraz	Patrons	1999	L	C	750	2
	Pallet 2		Brands Laira	CAS		1974	L	C	750	2
	Pallet 2		Brands Laira	Riesling		2002	L	C	750	2
	Pallet 2		Brands Laira		Patron	2000	L	C	750	3
	Pallet 2		Brands Laira	CAS		1984	L	C	750	3
	Pallet 2		Brands Laira	CAS	Patron	1998	L	C	750	12
	Pallet 2		Brands Laira	CAS		1999	L	C	750	12
	Pallet 2		Brands Laira	CAS		1990	L	C	750	6
	Pallet 2		Brands Laira	CAS	Patron	1999	L	C	750	6
	Pallet 2		Brands Laira	CAS MER		1994	L	C	750	6
	Pallet 2		Brands Laira	CAS		1994	L	C	750	6
	Pallet 2		Brands Laira	CAS		1996	L	C	750	6
	Pallet 2		Brands Laira	CAS		2000	L	C	750	6

Rack	Row	Product Code	Brand	Variety	Description	Year	L/U	C/S	B. Size	Units
	Pallet 2		Brands Laira	CAS		1986	L	C	750	12
	Pallet 2		Brands Laira	CAS	Blockers	2008	L	C	750	9
	Pallet 2		Brands Laira	Shiraz	OV	1991	L	C	750	3
	Pallet 2		Brands Laira	CAS		2004	L	C	750	2
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1997	L	C	750	2
	Pallet 2		Brands Laira	CAS	Patron	2006	U	C	750	2
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	2003	L	C	750	2
	Pallet 2		Brands Laira	Shiraz	Stentiford's Reserve - Coonawarra	1999	L	C	750	2
	Pallet 2		Brands Laira	CAS	Patron	2006	L	C	750	2

Schedule 6 - Stocktake principles

Part A: Stocktake procedures

The following stocktake procedures apply to all Properties where Stock is held by McWilliam's:

1. The stocktake will be undertaken by McWilliam's or its Representatives (in each case, the **Counter**).
2. A Representative of the Deed Proponent may be present at each Property at which a stocktake is being undertaken to observe the conduct of the stocktake.
3. The stocktake procedures as outlined in this Schedule 6 must be communicated to all people undertaking the stocktake prior to the commencement of the stocktake.
4. The stocktake will be a full count of all Stock, subject to the following:
 - (a) for Stock in transit, a physical count will not be undertaken, rather, McWilliam's or its Representatives will use the Stock quantities and volumes identified as Stock in transit in McWilliam's inventory system. To substantiate the quantity and volume of all Stock in transit, McWilliam's will provide to the Deed Proponent corresponding third party documentation for all quantities in transit greater than \$100,000;
 - (b) McWilliam's will ask BevChain Pty Ltd (**BevChain**) to count Stock quantities located at the premises of BevChain in accordance with BevChain's standard stocktake procedures and will reconcile BevChain's Stock quantities with McWilliam's Sub-Ledger information for those premises. To extent of any inconsistencies, BevChain's Stock quantities will be used.
 - (c) other than for Stock in transit, there shall be no movement of stock either for sales, receipt of goods or any other movement of Stock and all production shall cease for the period of the Stocktake; and
 - (d) for Stock in barrels at Hanwood and Beelbangera:
 - (i) fortified wine - To determine the quantities of volume of fortified wine stored in barrels, all barrels will be counted. Quantities of volume of fortified wine stored in barrels will be estimated on a sample basis by dip. The sample size will be agreed between the parties, and failing agreement, a maximum of 100 barrels per Property will be dip tested. A visual estimate of the approximate % fullness of the barrel will be determined on dip. Based on the capacity for a full barrel of that shape, the estimated litres will be calculated for that barrel. This will be compared against the Sub-Ledger records (which are stored by total lot size). It is assumed that the same % fullness applies across the total lot. As temperatures, barrel shape and visual estimation can create variances, only variances > 10% for barrels less than 5 years old and 20% for barrels more than 5 years old versus the Sub-Ledger will be adjusted.

Example - Visual inspection of a dip for barrel A indicates that the barrel is 50% full. This barrel is part of lot B of wine. Lot B is made up of 25 barrels of capacity 225 litres each. Therefore, the assumption is that the total capacity for lot B barrels is 5,625 litres at 50% full = estimated 2,812 litres on hand. However, the Sub-Ledger states that lot B should have 3,000 litres which represents an estimated variance of 188 litres = 6% and would therefore not be adjusted
 - (ii) wine – Wine barrels are kept full to minimize contact with oxygen. It can be assumed that the volume of wine in the barrel matches the capacity of the barrel.

The counters will knock on the head of the barrel to verify that the barrels are full based on sound and count accordingly. If a barrel is found not to be full, the barrel will dip tested and the % fullness will be estimated based on a visual inspection.

- (iii) Directors' Cellar Stock: A physical stock count will occur for the pallets of saleable stock in the "Directors Cellars" as determined by Ross Lyman, McWilliam's Head of Supply and Operations (shelves, racks and other stock will not be counted and will be transferred at nil value).
- (e) for Stock in tanks, the volume in tanks will be measured using a dip measure and compared against a calibration chart which has been loaded into Claros to calculate the litres on hand.
- 5. Stock sheets must be used to enable accurate recording of Stock, other than for the Finished Goods Stock at Hanwood. The Stock sheets must clearly identify:
 - (a) location of Stock;
 - (b) quantity and description of each item of Stock;
 - (c) Stock code (if applicable);
 - (d) unit of measure of relevant Stock item; and
 - (e) be signed by the Counter.
- 6. In respect of Finished Goods Stock at Hanwood, the Finished Goods Stock represented in the Paperless system will be counted by the Counters using handheld devices and not physical Stock sheets. The count results must clearly identify:
 - (a) location of Stock;
 - (b) quantity and description of each item of Stock;
 - (c) Stock code (if applicable);
 - (d) unit of measure of relevant Stock item; and
- 7. All Excluded Stock (including Customer Assets) will be clearly marked "*Excluded Stock*" and excluded from the stocktake.
- 8. Where quantities of Stock are required to be estimated, a consistent method of estimation shall be used across all locations where Stock is held consistent with the principles set out in this Schedule 6.

Part B: Valuation principles

- 9. Subject to paragraph 10, all items of Stock identified in the books and records of McWilliam's as:
 - (a) 'bulk inventory' (including fortified wine, dry goods and additives) (**Bulk Stock**) are to be valued at 'Sub-Ledger cost', as at Completion less the applicable provision in McWilliam's Accounts as at Completion, relating to each of those categories of Bulk Stock; and
 - (b) 'finished case goods' (**Finished Goods Stock**) is to be valued at Completion at the lower of:
 - (i) 'Sub-Ledger cost' - the individual Sub-Ledger costs to be applied to the quantities of Stock and used for the Completion Stock Value are to be the same as those used in the calculation of Stock at 30 June 2020; or
 - (ii) 'Net Realisable Value',

with the Net Realisable Value assessment to be undertaken in respect of the Finished Goods Stock by the Deed Proponent and McWilliam's prior to the stocktake, in a manner consistent with the usual processes adopted by McWilliam's as part of McWilliam's typical Stock management procedures with regard to year end accounting procedures.

10. The following items of Stock will be valued at nil:
 - (i) additives which are expired or out of date;
 - (ii) dry goods and packaging which is damaged or faulty; and
 - (iii) Finished Goods Stock which is unsaleable.
11. To the extent not covered by paragraphs 9 and 10 of Part B of this Schedule 6, Stock will be valued in a manner consistent with the Accounting Standards and the historical accounting principles, policies and procedures used by McWilliam's in preparing its Accounts.

Signing page

EXECUTED as a deed.

Signed for McWilliam's Wines Group Ltd (ACN 000 024 108) (Administrators Appointed) by its joint and several Administrator, Timothy David Mableson

Administrator

Signed for Mount Pleasant Wines Pty Ltd (ACN 000 024 813) (Administrators Appointed) by its joint and several Administrator, Timothy David Mableson

Administrator

Signed sealed and delivered by Timothy David Mableson in the presence of

Signature of witness

Timothy David Mableson

Name of witness (print)

Signed sealed and delivered by Gayle Dickerson in the presence of

Signature of witness

Gayle Dickerson

Name of witness (print)

Signed sealed and delivered by Ryan Reginald Eagle in the presence of

Signature of witness

Ryan Reginald Eagle

Name of witness (print)

Executed by MCW BidCo Pty Ltd (ACN 642 488 524) in accordance with Section 127 of the *Corporations Act 2001*

Signature of sole director and sole company secretary

who states that he or she is the sole director and the sole company secretary of the company

Name of sole director and sole company secretary (print)

Annexure A – Creditor Indemnity

To: [insert name of Company] (**Company**)

INDEMNITY IN RELATION TO INSURED CLAIM

I/We [**insert creditor name**] refer to the deed of company arrangement in respect of the Company (**DOCA**) dated [**insert date**].

I/We wish to take legal proceedings to enforce a Claim under clause 15.1 of the DOCA (**Insured Claim**) against the Company. The Insured Claim is [insert full description].

I/We irrevocably and unconditionally indemnify the Company against any costs, expenses, judgments (including but not limited to any judgment or order obtained by me/us against the Company, or any amounts required to be paid by the Company in connection with any judgment or order), suits or actions incurred directly or indirectly as a consequence of commencing legal proceedings in relation to the Insured Claim (**Costs**) to the extent that the Company is not indemnified for such costs pursuant to a contract of insurance entered into before [**insert date**] or such Costs are not otherwise paid by the Company's insurer.

I/We confirm our agreement to be bound by the terms of clause 10 of the DOCA in respect of the Insured Claim.

Dated: [**insert date**]

Executed as a deed poll in favour of [**insert name of Company**].

Signed sealed and delivered for and on
behalf of [**Creditor name**] by an authorised officer
in the presence of

Signature of officer

Signature of witness

Name of officer (print)

Name of witness (print)

Office held

Annexure B – Creditors Trust Deed



McWilliam's Creditors' Trust Deed

McWilliam's Wines Group Ltd (ACN 000 024 108)
(Subject to Deed of Company Arrangement) and
Mount Pleasant Wines Pty Ltd (ACN 000 024 813)
(Subject to Deed of Company Arrangement) (referred
to individually as the **Deed Company** and collectively
as the **Deed Companies**)

Gayle Dickerson, Ryan Reginald Eagle and Timothy
David Mableson in their capacity as joint and several
Deed Administrators of the Deed Companies
(**Trustees**)

MCW BidCo Pty Ltd (ACN 642 488 524) (**Deed
Proponent**)

Creditors' Trust Deed

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Details

Date

Parties

Name	McWilliam's Wines Group Ltd (ACN 000 024 108) (Subject to Deed of Company Arrangement)
Short form name	McWilliam's
Notice details	C/- KPMG, Tower Three International Towers Sydney, 300 Barangaroo Avenue, Sydney NSW, 2000 timableson@kpmg.com.au

Name	Mount Pleasant Wines Pty Ltd (ACN 000 024 813) (Subject to Deed of Company Arrangement)
Short form name	Mt Pleasant
Notice details	C/- KPMG, Tower Three International Towers Sydney, 300 Barangaroo Avenue, Sydney NSW, 2000. timableson@kpmg.com.au

Name	Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mablesen in their capacity as administrators of the Deed Companies
Short form name	Trustees
Notice details	KPMG, Tower Three International Towers Sydney, 300 Barangaroo Avenue, Sydney NSW, 2000 timableson@kpmg.com.au

Name	MCW Bidco Pty Ltd (ACN 642 488 524)
Short form name	Deed Proponent
Notice details	Level 27, 101 Collins St, Melbourne, VIC, 3000 charles@prcstnt.com

Background

- A On the Appointment Date the Administrators were appointed as administrators of each Deed Company pursuant to Part 5.3A of the Act.
- B At meetings held on [21 July 2020] and convened pursuant to section 439A of the Act the Creditors of each Deed Company resolved that each of them execute a deed of company arrangement pursuant to section 444B(2)(b) of the Act.
- C On [**insert date**], the Deed Administrators and the Deed Companies executed the DOCA pursuant to section 444B(2)(b) of the Act.
- D The Creditors' Trust is established in accordance with the DOCA.

- E The Fund Amount will be transferred to the Trustees to settle the Creditors' Trust in accordance with clause [7.2] of the DOCA.
- F The Receivables will be assigned to the Trustees to form assets of the Trust Fund.
- G The Trust Creditors under the DOCA and any Existing Shareholders are beneficiaries under the Creditors' Trust.
- H The Trustees will hold the Fund Amount on trust for the benefit of the beneficiaries.
- I Each Deed Company and the Trustees enter into this Deed as contemplated by the DOCA in order to facilitate a distribution of the Trust Fund by the Trustees to the Trust Creditors and any Existing Shareholders (if any) in their capacity as beneficiaries of the Creditors' Trust.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this Deed:

- (a) **Admitted Claim** means the Claim of any Trust Creditor admitted by the Trustees after adjudication in accordance with clause 6 of this Deed.
- (b) **Claim** means and has the same meaning as set out in the DOCA.
- (c) **Commencement Date** means the date that this Deed is executed by the Deed Administrators, McWilliam's, Mt Pleasant and the Deed Proponent.
- (d) **Creditors' Trust** means the trust contemplated by the DOCA and established pursuant to this Deed.
- (e) **Deed** means this creditors' trust deed as amended from time to time.
- (f) **Deed Administrators** means Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mableson in their capacities as joint and several administrators of the DOCA.
- (g) **Dividend** means any amount paid to a Trust Creditor in respect of that creditors' Admitted Claim.
- (h) **DOCA** means the deed of company arrangement executed by the Deed Companies, the Deed Administrators and the Deed Proponent on or about the date of this Deed.
- (i) **Employee** means a person employed by a Deed Company as at the Appointment Date.
- (j) **Employee Priority Claim** means a Claim of an Employee, other than an Excluded Superannuation Debt, that would be entitled to be paid in priority to the payment of the other unsecured Claims under section 556 of the Act if the Deed Company was taken to be in liquidation on the Appointment Date.
- (k) **Existing Shareholder** means any shareholder of McWilliam's immediately prior to the transfer of the Shares to the New Shareholder in accordance with the Section 444GA Order and clause 7.5 of the DOCA.
- (l) **Final Dividend** means the last Dividend payment to be made by the Trustees to any Trust Creditor or Existing Shareholder under this Deed.
- (m) **Fund Amount** means and has the same meaning as set out in the DOCA.
- (n) **GST** has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

- (o) **Indemnity** means the indemnity in clauses [17.2 – 17.5] of the DOCA and clause 8 of this Deed.
- (p) **Priority Creditor(s)** means those Trust Creditors whose Claims against the Deed Company have priority pursuant to the provisions of section 556 of the Act as if the Deed Company was taken to be in liquidation.
- (q) **Receivables** mean and has the same meaning as set out in the DOCA.
- (r) **Secured Claim** means a Claim to the extent it is secured by a security over assets of the Deed Companies or either of them;
- (s) **Secured Creditor** means a Creditor that holds security over assets of the Deed Companies or either of them;
- (t) **Scheduled Rates** means the rates set out in Schedule 1 of this Deed.
- (u) **Share Register** means the share register of McWilliam's immediately prior to the transfer of the Shares to the New Shareholder in accordance with the Section 444GA Order and clause 7.5 of the DOCA.
- (v) **Termination Date** means the date on which the Trust terminates in accordance with clause 13.
- (w) **Trust Creditor** means and has the same meaning as set out in the DOCA.
- (x) **Trust Creditor's Claim** means a Claim of a Trust Creditor.
- (y) **Trustees' Account** means an Australian dollar denominated account operated, maintained and specified by the Trustees for each Deed Company.
- (z) **Trustee Act** means the *Trustee Act 1925 (NSW)*.
- (aa) **Trustees** means, jointly and severally, Gayle Dickerson, Ryan Reginald Eagle and Timothy David Mableson in their capacity as trustees of the Trust and any successor to that office appointed pursuant to the Trustee Act.
- (bb) **Trustees' Costs** means the costs, charges and expenses, incurred by the Trustees in connection with the performance of their duties, obligations and responsibilities as trustees of the Trust.
- (cc) **Trust Fund** means:
 - (i) the Fund Amount as that term is defined in the DOCA;
 - (ii) the Receivables; and
 - (iii) for the avoidance of doubt, the amounts required to be paid by the Deed Proponent in accordance with clause [16.4(d), 16.4(g) and 16.4(h)] of the DOCA.
- (dd) **Trustees' Remuneration** means the remuneration of the Trustees referred to in clause 7.

Otherwise, terms used in this Deed that are not set out above or below have the meaning set out in the DOCA.

1.2 Interpretation

In this Deed, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule, as the case may be, of this Deed;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;

- (e) a reference to A\$, \$A, dollar or \$ is to Australian currency;
- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this Deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re enactments or replacements of any of them;
- (j) a word or expression defined in the Act has the meaning given to it in the Act;
- (k) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Inconsistency with Corporations Act or Corporations Regulations

If there is any inconsistency between the provisions of this Deed and the Act or Corporations Regulations, this Deed shall prevail to the extent permitted by law.

1.5 Other inconsistencies

If there is any inconsistency between the provisions of this Deed and the constitution of the Deed Companies and any other obligation binding on the Deed Companies (otherwise than pursuant to the terms of the DOCA), the provisions of this Deed shall prevail to the extent of the inconsistency, and all persons bound by this Deed agree to sign all documents and do all things necessary to remove such inconsistency, the costs of which shall be borne by the Deed Companies.

2. Fund Amount

2.1 Payment of Fund Amount

Subject to the satisfaction or waiver of the Condition Precedents set out in the DOCA, the Deed Companies shall pay or have paid the Fund Amount to the Trustees in accordance with clause [7.2] of the DOCA.

- 2.2 For the avoidance of doubt the Receivables of the Deed Companies form a part of the Trust Fund (and available for distribution to Trust Creditors and Existing Shareholders) as set out at paragraph 7.7 of the DOCA.

3. Declaration of Trust

3.1 Declaration

The Trustees acknowledge and declare that the Trust Fund will be held on trust by the Trustees as follows (and in each case to the relevant extent):

- (a) for the Trust Creditors; and
- (b) for any surplus remaining in the Trustees' hands after all other proper payments, for the Existing Shareholders on the terms in this Deed.

3.2 Name of Creditors' Trust

The Creditors' Trust constituted by this Deed will be called the McWilliam's Creditors' Trust.

3.3 Trustees

- (a) The Creditors Trust is established as provided for in clause 11.1 of the DOCA;
- (b) The purpose of the Creditors' Trust will be to, among other things, enable certain tasks ordinarily undertaken by deed administrators (including, but not limited to, the calling for and adjudication of the claims of creditors) to be performed by the Trustees of the Creditors' Trust in order to facilitate the early termination of this Deed; and
- (c) The Deed Companies appoint the Trustees as, and the Trustees accept, an appointment as Trustees of the Creditors' Trust.

3.4 Trustees' powers

Without limiting the powers that the Trustees have by operation of the Trustee Act, for the purposes of administering the trust created by this Deed, the Trustees have the following powers:

- (a) to administer the Trust Fund in accordance with the provisions set out in the DOCA and this Deed;
- (b) to fulfil the Trustees' obligations in accordance with the terms of this Deed;
- (c) to sell, re-invest or otherwise deal with the assets of the Trust Fund;
- (d) to perfect title in any assets of the Trust Fund;
- (e) to insure any assets of the Trust Fund;
- (f) to, at any time, call meetings of the Trust Creditors for the purpose of considering the variation or termination of this Deed in accordance with the provisions of this Deed;
- (g) to admit Claims to proof in accordance with the provisions of the DOCA and this Deed;
- (h) to determine Admitted Claims and then to pay Dividends in accordance with the terms of this Deed;
- (i) to act as attorney for the Deed Companies or any other person for any purpose associated with the Creditors' Trust or this Trust Fund;
- (j) to enforce compliance with the terms of this Deed;
- (k) to accept the transfer of any shares, stocks, debentures, debenture stock, annuities, bonds, obligations or other securities of whatever nature that may at any time be transferred to it;

- (l) to enter upon or take possession of the Trust Fund and to collect the revenue or income from or interest on the Trust Fund and exercise any rights or powers relating to any part of the Trust Fund;
- (m) to bring, prosecute and defend any claim, action, suit or proceeding, which power includes the power to bring and defend any claim, counter-claim, set-off, action, suit or proceeding in either of the Deed Companies names or (after assignment) in the Trustees' name, to enforce any right, claim or cause of action that forms part of the Trust Fund, and to that end:
 - (i) to issue or accept service of any writ, summons or other legal process and to appear or be represented in any court and before all wardens, magistrates or judicial or other officers as the Trustees think fit and to commence or defend and conduct any action or other proceeding in any court of justice in relation to the Trust Fund and any claim, proceeding or action forming part of the Trust Fund and to prosecute, discontinue, compromise, stay, terminate or abandon that proceeding or action as the Trustees think fit;
 - (ii) to appoint any solicitor and counsel to prosecute or defend in those proceedings as occasion may require; and
 - (iii) to take any other lawful ways and means for the recovering or getting in any of the Trust Fund;
- (n) to convene and hold meetings of the Trust Creditors for any purpose as the Trustees consider fit;
- (o) to permit any person authorised by the Trustees to operate any account in the name of the Creditors' Trust;
- (p) to do all acts and execute in the name and on behalf of the Creditors' Trust all deeds, receipts and other documents;
- (q) to draw, accept, make or endorse any bill of exchange or promissory note in the name and on behalf of the Creditors' Trust;
- (r) subject to the Act, to prove in the winding up of or under any scheme of arrangement entered into by, or deed of company arrangement executed by, any contributory or debtor of the Creditors' Trust;
- (s) to bring or defend an application for the vesting or winding up of the Creditors' Trust;
- (t) to report to the Trust Creditors from time to time;
- (u) to make interim or other distributions of the Trust Fund;
- (v) to appoint agents to do any business or attend to any matter or affairs of the Creditors' Trust that the Trustees are unable to do, or that it is unreasonable to expect the Trustees to do, in person;
- (w) to appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;
- (x) to compromise any claim, action, suit or proceeding brought by or against the Trustees on such terms as the Trustees consider fit, which power includes the power to compromise any claim, action, suit or proceeding referred to in paragraph (m) of this clause;
- (y) to provision for and set aside a sum or sums equal to an amount which the Trustees reasonably anticipate may be payable in respect of any tax, including income tax, capital gains tax or GST;
- (z) to collect debtors of the Deed Companies, including the Receivables, and to use the names of the Deed Companies in any debtor collections, if necessary, provided that any correspondence or other document issued by the Trustees using the names of the Deed Companies must:

- (i) identify that the document is authored and sent by or on behalf of the Trustees (not the Deed Companies); and
- (ii) not direct or imply that any amounts (including receivables) due to the Deed Companies other than Receivables should be paid to the Trustees;
- (aa) to borrow or raise money whether unsecured or secured upon any or all of the Trust Fund, for any period on such terms as the Trustees think fit and whether in substitution for any existing security or otherwise;
- (bb) to do anything incidental to exercising a power set out in this Deed; and
- (cc) to do anything else that is necessary or convenient for administering the Creditors' Trust.

4. Trust Fund

4.1 Trust Fund

The Creditors' Trust shall be comprised of:

- (a) the Fund Amount; plus
- (b) all Receivables assigned to the Trustees under clause [7.7] of the DOCA; plus
- (c) for the avoidance of doubt, the amounts required to be paid by the Deed Proponent in accordance with clause 16.4(d), 16.4(g) and 16.4(h) of the DOCA.

4.2 Trustees' Account

The Trustees will open and maintain the Trustees' Account and will pay the cash component of the Trust Fund and any other moneys they receive in their capacity as Trustees into the Trustees' Account.

4.3 Trust Deed

The Trust Fund is to be held by the Trustees for the benefit of the Trust Creditors on the terms of this Deed.

4.4 Distribution of the Trust Fund

- (a) Provided that each Trust Creditor has an Admitted Claim, the Trust Fund will be available for distribution to the Trust Creditors and Existing Shareholders as follows and in the following order of priority:
 - (i) first, to the Trustees in satisfaction of the Trustees' Costs (which may include an amount of the Trustees' Costs which it is estimated will be incurred by the Trustees up to the Termination Date) and the Trustees' Remuneration;
 - (ii) second, to the Trustees for any amounts for which the Trustees are entitled to be indemnified for under clause 9 below;
 - (iii) third, to the Administrators or Deed Administrators for any amount which the Administrators are entitled to be paid or indemnified for under clause [17] of the DOCA but which have not been paid or discharged;
 - (iv) fourth, to the Deed Administrators in the exercise by the Deed Administrators of the lien provided for in clause 17.5 of the DOCA to secure any right of indemnity conferred by clause [17.4] of the DOCA or otherwise at law or in equity;
 - (v) fifth:
 - (A) to the extent the Trust Fund reflects proceeds derived from circulating assets, to relevant Employees, the amount of any Employee Priority Claim;
 - (B) to the extent the Trust Fund reflects proceeds derived from:

- (I) non-circulating assets; and
- (II) circulating assets, once Employee Priority Claims are paid in full, to Secured Creditors in respect of Secured Claims;
- (vi) sixth, to each other Trust Creditor, on a pro-rata basis in accordance with the dollar value of the Admitted Claims of those Trust Creditors;
- (vii) seventh, interest in relation to the claims of those Creditors at clause 4.4(a)(v)-(vi) above calculated in accordance with and at the rate prescribed in section 563B of the Act; and
- (viii) next, any Existing Shareholder on a pro-rata basis in accordance with the class and number of shares held by the Existing Shareholder as reflected in the entries in the Share Register.
- (b) For the avoidance of doubt, no distributions will be made in respect of a Trust Creditor's Claim unless that Trust Creditor's Claim is an Admitted Claim.
- (c) All Employees of the Deed Companies will be entitled to a priority at least equal to what they would have been entitled to if the Trust Fund were applied in accordance with section 556, 560 and 561 of the Act.

4.5 Timing of distributions

- (a) Subject to (b), the Trustees may distribute the Trust Fund at such times as the Trustees consider, in their absolute discretion, is appropriate and feasible to do so, including making distributions under any lower ranking subclause in clause 4.4, in advance of making any payments under any higher ranking subclause on that basis that they have retained sufficient funds to ensure that payments to be made under those higher ranking subclauses will be made when the time comes to do so.
- (b) Without limiting (a) the Trustees must make any Distribution in respect of Employee Priority Claims as soon as practicable.

4.6 Multiple Claims arising from the same circumstances

If a Trust Creditor is a creditor of two or more Deed Companies in respect of Admitted Claims arising from the same circumstances (for example, where one Deed Company is a guarantor or co-obligor of an obligation or debt owing by another Deed Company is a guarantor of an obligation or debt owed by another Deed Company), then the Trust Creditor is only entitled to receive a distribution for one of those Admitted Claims, and where they are for different amounts, for the largest of those Admitted Claims.

4.7 Unclaimed money

In the event that there is a remaining balance of any distribution of trust property to Trust Creditors which has remained under the control of the Trustees and has been unclaimed for more than 6 months after the day on which the Trustees declare their intention to distribute a Final Dividend in accordance with this Deed, the unclaimed moneys shall be paid by the Trustee to Revenue NSW in accordance with the Trustee's obligations in respect of unclaimed moneys.

4.8 Postponement

Should proceedings be brought by any person in respect of the distribution of the Trust Fund and the Trustees have not made and do not apprehend that they will make a claim on the Indemnity then the Trustees are entitled at their sole discretion to postpone the payment of any entitlement until determined by the Trustees.

5. Perpetuity Period

Notwithstanding any other provision in this Deed, each

- (a) interest in property; and
- (b) Trustees' power over or in connection with property, created or granted by this Deed, that, but for this provision, might vest, take effect, or be exercisable after the expiry of eighty (80) years commencing on the date of this Deed, but which has not vested or taken effect by that date:
- (c) will vest or take effect on the last day of that period; and
- (d) is exercisable only on or before the last day of that period.

6. Claims

6.1 Admissibility of Claims

- (a) Upon this Deed being settled, and in accordance with clause [10.5] of the DOCA, all Claims of the Trust Creditors against the Deed Companies will convert to and become claims against the Trust Fund under this Deed, equal in amount to the released Claims.
- (b) Interest will not be payable on any Admitted Claim until such time it is clear that clause 4.4(a)(vii) will be achieved. Should it become clear that clause 4.4(a)(vii) will be reached then any payment of interest will not occur until the Creditors that are entitled to be paid pursuant to clause 4.4(a)(i)-(vi) have been paid in full.

6.2 Trustees' discretion

The Trustees may, in their absolute discretion:

- (a) admit all or part of a Claim;
- (b) reject all or part of a Claim; or
- (c) pay any Admitted Claim,

in accordance with the provisions of this Deed.

6.3 Determination of Claims

- (a) Subdivisions A, B, C, D and E of Division 6 of Part 5.6 of the Act (except section 556 (other than to the extent expressly incorporated)) apply to Claims under this Deed as if references to the liquidator were references to the Trustees and references to winding up were references to this Deed, and with such other modifications as are necessary to give effect to this Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by this Deed.
- (b) Regulations 5.6.11A, 5.6.37, 5.6.39 to 5.6.43 (inclusive), 5.6.44 to 5.6.53 (inclusive) and 5.6.55 to 5.6.70A (inclusive) of the Corporations Regulations shall apply to this Deed and to the Trustees as if references to the liquidator were references to the Trustees and references to winding up were references to this Deed, and with such other modifications as are necessary to give effect to this Deed, except to the extent that those provisions are varied or excluded expressly or impliedly by this Deed.
- (c) The Trustee may make interim distributions of trust property under this Deed.
- (d) The Trustees must declare and distribute trust property under this Deed as soon as practicable after the Trust comes into effect under clause 3.1. However, subject to clauses 6.3(a) and 6.3(b), the Trustees have an absolute and unfettered discretion as to the admission of Claims, and the amount and timing of the distribution of the trust property in payment of Admitted Claims.
- (e) Where the Trustees propose to reject a Claim (whether in part or in full) the Trustees shall send a notice to the Claimant informing the Claimant of the proposed rejection and giving

the party 14 days within which to make an application to the Court to determine the questions relating to the Claim.

6.4 Access to Books and Records

The Trustees may at any time inspect the books and records of the Deed Companies and the Deed Companies authorise the Trustees and their staff to enter the Deed Companies' premises after giving reasonable notice for the purpose of conducting such an inspection and for the purpose of doing anything reasonably necessary or desirable in the exercise of their powers and discretions and the performance of their duties, obligations and responsibilities as Trustees under this Deed.

6.5 Superannuation Debts not Admissible

If the Trustees determine that the whole of a Claim is, save for this clause, otherwise admissible to proof under the terms of this Deed by virtue of being by way of a Superannuation Contribution, such Claim is not admissible to proof if:

- (a) a debt by way of Superannuation Guarantee Charge:
 - (i) has been paid and to that extent only; or
 - (ii) is, or is to be, admissible to proof under this Deed; and
- (b) the Trustees are satisfied that the Superannuation Guarantee Charge is attributable to the whole of that Claim.

For the purposes of this clause 'Superannuation Contribution' has the meaning given in section 556 of the Act.

6.6 Creditors' costs and expenses

Any costs and expenses incurred by a Trust Creditor in asserting a Claim under this Deed will be borne by that Creditor and will not form part of that Creditor's Claim under this Deed.

6.7 Abandonment of Claims

A Trust Creditor will have abandoned, and will be taken for all purposes to have abandoned, all Claims and all other entitlements (if any) in the Trust Fund:

- (a) which are not the subject of a proof lodged with the Deed Administrators or the Trustees in the form required by the Trustees prior to the declaration of a Final Dividend; or
- (b) which have been rejected by the Trustees and which are not the subject of any appeal or application to the Court within the time allowed under 6.3(e).

6.8 Discharge of Claims

All persons having a Claim must accept their Admitted Claims under this Deed (if any) in full satisfaction and complete discharge of all claims which they have or claim to have against the Trustees or the Trust Fund and each of them will, if called upon to do so, execute and deliver to the Trustees such forms of release of any such claim as the Trustees require.

6.9 Claims extinguished

On payment of the Final Dividend to the Trust Creditors from the Trust Fund, all Claims against the Trust Fund are extinguished and each Trust Creditor will, if called upon to do so, execute and deliver to the Trustees such forms of release of any Claim as the Trustees require.

6.10 Bar

After:

- (a) the payment of a Dividend to a Trustee Creditor, the Trustees may plead this Deed in bar to any Claim by that Trust Creditor; and

- (b) on distribution of the Final Dividend from the Trust Fund, the Trustees may plead this Deed in bar to any Claim.

6.11 Excluded Creditors

The Excluded Creditors are not entitled to participate in or receive any distribution from, and will not prove to recover any Claim for the purposes of, and in relation to, the Trust Fund.

6.12 Meetings of Creditors

The Trustees may at any time convene a meeting of Trust Creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Deed, the provisions of Division 75 of the Insolvency Practice Schedule and Division 75 of the Insolvency Practice Rules apply, with such modifications as are necessary, to meetings of the Trust Creditors as if the references to the external administrator, were references to the Trustees.

7. Remuneration

7.1 Remuneration of Trustees

The Trustees:

- (a) are to be remunerated at the usual rates charged by KPMG (which are, at the date of this Deed, the Scheduled Rates) in respect of any work reasonably done by the Trustees, and any partner or employee of the Trustees, in connection with:
 - (i) the calling for and adjudicating upon proofs of Claims;
 - (ii) the distribution of the Trust Fund;
 - (iii) the exercise of their powers and discretions and performance of their duties, obligations and responsibilities as Trustees under this Deed; and
- (b) acknowledge that the Trustees' reasonable Costs, including costs, charges and expenses (including those incurred in connection with advisers) incurred in connection with the foregoing, including any stamp duty payable by them in respect of this Deed will be payable from the Trust Fund.

8. Liability of Trustees

- (a) The Trustees' firm and the Trustees' partners, employees and agents will not be liable for any debts, proceedings, claims, losses, damages, liabilities, costs and expenses incurred or arising during the operation of the Creditors' Trust.
- (b) No Trustee shall be liable for:
 - (i) Any loss or damage caused by the exercise of any discretion or power conferred by this deed or by law or by failure to exercise any such discretion or power; or
 - (ii) Any breach of duty or trust whatsoever unless it is committed, made or omitted to be done or made in bad faith by the Trustee.
- (c) All persons claiming any beneficial interest in the Trust Fund subject to this Trust shall be deemed to take the same with notice of and subject to the protection conferred on the Trustees.

9. Indemnity

9.1 Indemnity

The Trustees are entitled to be indemnified out of the Trust Fund for all actions, suits, proceedings, accounts, claims and demands arising out of or relating to this Deed which may be commenced, incurred by or made on the Trustees by any person and against all costs, charges and expenses incurred by the Trustees in respect of them, provided that the Trustees shall not be entitled to an indemnity in respect of any liabilities or demands to the extent that the indemnification contravenes the Act or the Trustee Act.

9.2 Continuing indemnity

This indemnity takes effect on and from the Commencement Date and will be without limitation as to time and will operate notwithstanding the removal of the Trustees (or either of them) and the appointment of new trustees or the termination of this Trust for any reason whatsoever.

9.3 Indemnity not to be affected or prejudiced

The indemnity under clause 9.1 will not:

- (a) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Trustees and will extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Trustees, the approval and execution of this Deed or otherwise; or
- (b) affect or prejudice all or any rights that the Trustees may have against any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Trustees of or incidental to the exercise or performance of any of the powers of authorities conferred on the Trustees by this Deed or otherwise.

10. Appointment of additional Trustees

The Trustees have power by instrument in writing at any time and from time to time in their absolute discretion to request any additional trustees on such terms and subject to such conditions as they think fit, provided that any additional trustee duly appointed is a registered liquidator.

11. Trustees' Resignation

Any Trustee may resign at any time by giving not less than 28 days' prior written notice to the Deed Companies in which event the Trustees must:

- (a) convene a meeting of Trust Creditors for the purpose of nominating a replacement trustee;
- (b) assign to a replacement trustee nominated by the Trust Creditors the Trustees' rights, title and benefit under this Deed; and
- (c) do all things reasonably necessary to effect the assignment referred to in clause (b).

12. Trustees Not Obligated to Take Action

The Trustees will not be obliged to take any action under this Deed until such time as there are sufficient funds in hand and immediately available to them without prior or apprehended claim as referred to in clause 4.8 to pay their remuneration, costs, fees and expenses.

13. Termination

13.1 Termination of the Trust

This Trust will terminate and the Trustees will resign as soon as reasonably practicable:

- (a) after distribution of the Final Dividend from the Trust Fund; or
- (b) upon the expiry of the perpetuity period referred to in clause 5,

whichever occurs first.

13.2 Meeting of Trust Creditors

The Trustees must convene a meeting of Trust Creditors to consider a resolution to vary this Deed or terminate the Trust if:

- (a) at any time prior to the termination of the Trust, the Trustees determine that it is no longer practicable or desirable to continue to implement or carry out this Deed; or
- (b) the Court so orders.

13.3 Termination of the Trust by Court order and Trust Creditors' resolution

This Trust will terminate if:

- (a) a Court so orders; or
- (b) the Trust Creditors pass a resolution terminating this Trust at a meeting duly convened pursuant to clause 13.2.

In that event, any remaining part of the Trust Fund must be immediately distributed in accordance with the waterfall set out at clause 4.4(a) of this Deed.

13.4 Report to Trust Creditors

Upon a meeting being convened pursuant to clause 13.2, the Trustees must send each Trust Creditor prior to the meeting a report as to the state of affairs of the Trust accompanied by such financial statements as the Trustees think fit. The report must include:

- (a) a statement explaining the circumstances which have caused the Trustees to convene the meeting pursuant to clause 13.2; and
- (b) a statement that this Trust will be terminated if the Trust Creditors so resolve.

13.5 Previous operation of this deed preserved

The termination or avoidance, in whole or in part, of this Trust does not affect the efficacy of any act done prior to the termination or avoidance.

13.6 Variation of Deed

This Deed may be varied:

- (a) with the consent of the Trustees by resolution passed at a meeting of Trust Creditors by a majority of Trust Creditors in number and in value, but only if the variation is not materially different from the proposed variation set out in the notice of that meeting and provided that the variation does not materially prejudice the interests of any class of Trust Creditors without the approval of a majority of that class of Trust Creditors in number and value; or
- (b) by the Court upon application of any of the Trust Creditors or the Trustees in accordance with section 81 of the Trustee Act.

14. Notices

14.1 Service of Notices

A notice, demand, consent, approval or communication under this Deed (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) may be hand delivered or sent by prepaid post or email to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

14.2 Effective on receipt

A Notice given in accordance with clause 14.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the third Business Day after the date of posting (or the seventh Business Day after the date of posting if posted to or from a place outside Australia); or
- (c) if sent by email, when sent by the sender unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

15. General

15.1 Invalidity and enforceability

- (a) If any provision of this Deed is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 15.1(a) does not apply where enforcement of the provision of this Deed in accordance with clause [12.1(a)] would materially affect the nature or effect of the parties' obligations under this Deed.

15.2 Waivers

No party to this deed may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

15.3 Counterparts

This Deed may be executed in counterparts. All executed counterparts constitute one document.

15.4 Governing law

This Deed is governed by the law in force in the State of New South Wales.

15.5 Further action to be taken at each party's own expense

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this deed and the transactions contemplated by it.

15.6 No reliance

No party has relied on any statement by any other party not expressly included in this Deed.

15.7 Relationship of the parties

Nothing in this Deed gives a party authority to bind any other party in any way.

15.8 Exercise of rights

- (a) Unless expressly required by the terms of this Deed, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this Deed.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this Deed. Any conditions must be complied with by the party relying on the consent, approval or waiver.

15.9 Stamp duty

Any stamp duty assessed on this Deed is to be paid out of the Trust Fund.

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Schedule 1- KPMG hourly rates

Position	Rate \$ (excl GST)
Partner	695
Consultant	625
Director	625
Associate Director	575
Manager	525
Executive	450
Analyst	375
Administration	250

Signing page

EXECUTED as a deed.

Signed for McWilliam's Wines Group Ltd (ACN 000 024 108) (Subject to Deed of Company Arrangement) by its joint and several Deed Administrator, Timothy David Mableson

Deed Administrator

Signed for Mount Pleasant Wines Pty Ltd (ACN 000 024 813) (Subject to Deed of Company Arrangement) by its joint and several Deed Administrator, Timothy David Mableson

Deed Administrator

Signed sealed and delivered by Timothy David Mableson in the presence of

Signature of witness

Timothy David Mableson

Name of witness (print)

Signed sealed and delivered by Gayle Dickerson in the presence of

Signature of witness

Gayle Dickerson

Name of witness (print)

Signed sealed and delivered by Ryan Reginald Eagle in the presence of

Signature of witness

Ryan Reginald Eagle

Name of witness (print)

Executed by MCW BidCo Pty Ltd ACN 642 488
in accordance with Section 127 of the
Corporations Act 2001

Signature of sole director and sole company secretary

who states that he or she is the sole director and the sole
company secretary of the company

Name of sole director and sole company secretary (print)