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## FREQUENTLY ASKED QUESTIONS

### EMPLOYEES

28 October 2024

Mosaic Brands Limited ACN 003 321 579  
Noni B Holdings Pty Limited ACN 614 340 537  
W.Lane Pty Ltd ACN 003 115 124  
Pretty Girl Fashion Group Pty. Ltd. ACN 051 283 900  
Pretty Girl Fashion Group Holdings Pty Ltd ACN 089 304 941  
Noni B Holdings 2 Pty Ltd ACN 626 335 760  
Rivers Retail Holdings Pty Ltd ACN 626 380 934  
Crossroads Retail Pty Ltd ACN 626 380 541  
Katies Retail Pty Ltd ACN 626 380 158  
Autograph Retail Pty Ltd ACN 626 380 390  
Millers Retail Pty Ltd ACN 626 380 309  
Noni B HoldCo Pty Ltd ACN 627 001 389  
Ezibuy Pty. Limited ACN 058 215 722  
(All Receivers and Managers Appointed) (All Administrators Appointed)  
(Collectively referred to as 'Mosaic Brands Group' or 'the Group')

Key takeaways	
1	Receivers and Managers ("the Receivers") have been appointed to the Mosaic Brands Group, which cover the Australian and New Zealand operations.
2	The Receivers are now in day-to-day control of the Mosaic Brands Group's business and operations.
3	The Mosaic Brands Group entities will continue to operate as usual with a few small changes.
4	Wages will continue to be paid in the usual manner. Your entitlements (for example, annual leave and long service leave) will continue to accrue from the date of appointment.
5	Entitlements due to employees on account of holiday pay, long service leave, etc will continue to accrue and are afforded priority over certain other of the Mosaic Brands Group's creditors with respect to circulating asset realisations.
6	If a sale is achieved for some or all of the Mosaic Brands Group, your employment may continue with the purchaser, however the Receivers are not able to provide any guarantees in this regard.
7	At this stage, we are confident there will be sufficient funds available from circulating assets to pay employee entitlements. However, in the event there are insufficient funds from the realisation of circulating assets and the Mosaic Brands Group is subsequently placed into liquidation, you may be eligible to submit an application and be compensated for unpaid entitlements under the Federal Government's Fair Entitlements Guarantee (FEG) Scheme.
8	Please do not talk to the media or post about the receivership or the Mosaic Brands Group entities on social media.
9	If you have any questions regarding your employment, the receivership, or any other general matters, please direct your enquiries through the normal Mosaic Brands channel or contact <a href="mailto:mozemployees@kpmg.com.au">mozemployees@kpmg.com.au</a> in the first instance.

## Receivership

### 1. Who are the Receivers and why have they been appointed?

Gayle Dickerson, David Hardy, Ryan Eagle and Amanda Coneyworth were appointed Receivers and Managers (**Receivers**) to the assets and undertakings of the Mosaic Brands Group entities on Monday, 28 October 2024.

The Receivers' appointment follows the appointment of Vaughan Strawbridge, Kate Warwick, Kathryn Evans and David McGrath of FTI Consulting as Voluntary Administrators to the Mosaic Brands Group on 28 October 2024.

The effect of the appointment is that the Receivers are now in control of the Mosaic Brands Group business operations, and assets. All enquires relating to these matters should be directed to the Receivers.

The appointment of the external administrators follows what has been a difficult period for the business which has faced a number of challenges and disruptions. The Mosaic Group sees this process as a chance to reset and a pathway to accelerate its plans to focus on its core brands (Katies, Millers, Noni B and Rivers), resolve legacy issues and right size the store network to ensure the ongoing success of the business.

### 2. Who are the Voluntary Administrators and why have they been appointed?

As noted above, Vaughan Strawbridge, Kate Warwick, Kathryn Evans and David McGrath of FTI Consulting as Voluntary Administrators to the Mosaic Brands Group on 28 October 2024.

It is often the case that Voluntary Administrators and Receivers are appointed concurrently.

We confirm that the Receivers are responsible for the day-to-day affairs of the Mosaic Brands Group entities and should therefore be the first point of contact for any enquiries relating to the Mosaic Brands Group business operations or its assets. The primary responsibility of the Voluntary Administrators in this instance will be to run the sale process for the Mosaic Brands Group.

You will receive correspondence from the Voluntary Administrators with respect to a number of statutory matters they need to write to you about.

If you have any questions in relation to the Voluntary Administration or the Receivership including which matters are to be directed where, please email [mozemployees@kpmg.com.au](mailto:mozemployees@kpmg.com.au).

### 3. What is the Receivers' current plan for the Mosaic Brands Group entities?

Over the next few weeks, the Receivers, working closely with the Mosaic Brands Group management team, will be focused on:

1. Stabilising the business, including stabilising relationships with key customers, suppliers and stakeholders;
2. Effecting an initial store closure program to right size the business for sale and reduce the cost base;
3. Working with Hilco (the secured lender) to undertake a realisation process for excess stock, particularly in respect of 'non-core' brands'; and
4. Undertaking an assessment of the business, to identify other areas of improvement and upside.

Concurrently, the Voluntary Administrators will commence a process for the sale of the business. This will hopefully result in a purchaser who is able to invest in the future growth of the business and provide long term financial sustainability.

#### **4. What will change in the day-to-day operations of the Mosaic Brands Group entities?**

The Mosaic Brands Group entities will continue to operate as normal while the Receivers undertake an immediate assessment of the business.

For you, it is business as usual, with a few small changes, specifically:

- No orders for any goods or services may be placed unless they have been authorised by the Receivers.
- No delivery of any goods or services should be accepted unless authorised by the Receivers.
- No goods should be returned to suppliers unless authorised by the Receivers.
- No assets should be removed from the Mosaic Brands Group entities' custody or control.

Should you have any queries, please contact your manager in the first instance.

### **My employment**

#### **5. How does the appointment of Receivers affect my employment?**

The Mosaic Brands Group entities will continue to trade during the receivership period and your employment will continue as normal. Your wages and superannuation will be paid on time and in the ordinary course.

Your accrued entitlements (e.g. annual leave and long service leave) will continue to accrue.

We seek your support through the receivership process to continue to deliver on your day-to-day roles in the organisation whilst we work to stabilise the business.

We understand that you know the business, your customers and your suppliers better than anyone, and so will be looking to work collaboratively with you throughout this process.

#### **6. Is my employment at risk?**

While we unfortunately cannot make promises with regards to securing all jobs, we are committed to keeping open lines of communication in this regard and will provide regular updates to all employees.

#### **7. Can I still take my leave?**

There are no changes to the approvals for any requested leave. You can continue to apply for and take leave as per the ordinary leave approval process.

In general, leave that has already been booked will be honoured. Please contact your regular manager, your ordinary Mosaic Brands contact for employment matters or [mozemployees@kpmg.com.au](mailto:mozemployees@kpmg.com.au) to confirm the status of your leave.

If there are any questions around your leave or the leave application process, please discuss with your managers.

#### **8. I have a corporate credit card, can I continue to use it?**

We understand that a small number of staff hold corporate credit cards.

Corporate credit cards may continue to be used for scheduled payments (e.g. for subscriptions), but any other discretionary spend should be approved by the Receivers before it is incurred.

Corporate credit cards must be used in accordance with existing policies and procedures.

If you have any questions regarding the use of your corporate credit card, please contact your manager.

#### **9. How will wages be paid?**

Wages will continue to be paid via electronic deposit in the usual manner.

#### **10. What happens to my employee entitlements (e.g. Annual Leave and Long Service Leave)?**

Employee entitlements have priority of payment ahead of secured and unsecured creditors.

At this stage, we anticipate there will be sufficient funds available from circulating assets to pay employee entitlements. However, in the event there are insufficient funds from the realisation of circulating assets and the Mosaic Brands Group is subsequently placed into liquidation, you may be eligible to submit an application and be compensated for unpaid entitlements under the Federal Government's Fair Entitlements Guarantee (**FEG**) Scheme. You will be notified in due course if the Company is placed into liquidation.

Your employee entitlements continue to accrue in the usual manner. All entitlements accrued during the receivership period will be paid by the Receivers.

#### **11. What happens if I find another job, will my entitlements be paid?**

If you resign from your position during the receivership:

- You will not be entitled to redundancy payments based on your employment contract, enterprise agreement or award.
- Annual leave and long service leave accrued will be paid out in your final wage payment.
- You may miss the opportunity for future employment with a purchaser of the Mosaic Brands Group's business in the event of a sale of business.

### **Other**

#### **12. Can I speak to the media or post on social media?**

It is important to emphasise that you should not speak to the media, nor should you post about the receivership or the Mosaic Brands Group entities on social media.

If you are approached by the media, please do not comment, but refer them to speak to Hayden Jewell, who is the media contact for the Receivers, on [hjewell@kpmg.com.au](mailto:hjewell@kpmg.com.au) or 0423 868 454.

#### **13. What communications should I expect to receive from the Receivers?**

We appreciate that this can be a stressful time for you, and we are committed to doing our best to communicate with you regularly.

This communication will take various forms, including staff meetings, email updates and updated FAQs. You will also receive correspondence from the Voluntary Administrators relating to meetings of creditors. To the extent possible, we will aim to provide communications via the usual channels on a BAU basis.

#### **14. Codes of conduct**

It is important to remind you that your ongoing obligations under the Mosaic Brands Group code of conduct continue to apply during the receivership.

#### **15. Who can I contact for more information?**

Queries regarding your employment and general queries on the receivership process can be directed to your manager, to your ordinary Mosaic Brands contact for employment matters or to KPMG at [mozemployees@kpmg.com.au](mailto:mozemployees@kpmg.com.au).

For further information about KPMG, you may wish to visit our website at [KPMG Australia](#) or ASIC's information sheet: [Receivership: A guide for employees | ASIC](#).