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28 October 2024

Circular to Employees

Dear Sir/Madam

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')

Gayle Dickerson, Ryan Eagle, David Hardy and I were appointed Receivers and Managers (**Receivers**) to the assets and undertakings of the Mosaic Brands Group entities on Monday, 28 October 2024 by the secured creditor, the holder of an all present and after acquired property security interest.

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

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 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 Brands 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, Ezibuy and Rivers), resolve legacy issues and right size the store network to ensure the ongoing success of the business.

Over the next few weeks, the Receivers will be focused on:

- Stabilising the business, including stabilising relationships with key suppliers and stakeholders;
- Undertaking an assessment of the business, to identify other areas of improvement and upside; and
- Working with our secured lender, Hilco, to conduct a stock realisation and store consolidation process.

Concurrently, the Voluntary Administrators will shortly be commencing a process for the sale and/or recapitalisation of the business. The secured creditor is supportive of a process that results in the successful recapitalisation or restructure of the business.

The Australian Securities & Investment Commission has produced Information Sheet 55 which provides general information to employees whose employer is in receivership. A copy of that information sheet can be obtained from: [Receivership: A guide for employees | ASIC](#).

This circular is to advise you about specific matters regarding your employment by the Mosaic Brands Group. We provide (attached) a FAQ document which should address many of your initial questions. We will continue to update the FAQ sheet throughout the Receivership.

1 Employment during the receivership

The Receivers will continue to trade Mosaic Brands Group's operations while we undertake an urgent assessment of the business. Your employment by the Mosaic Brands Group continues on the same terms and conditions that existed at the time of our appointment.

In this regard, wages will continue to be paid however rates and employment conditions will be subject to review to ensure they comply with all aspects of the relevant laws.

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.

Salaries and wages will be paid as usual throughout the course of the Receivership.

We will notify you when your income statement is available to view on your MyGov account for the period up to the date of our appointment. A separate income statement for the period from the date of our appointment will be available on your MyGov account in due course.

Across all roles in the organisation we seek your support in continuing to work within the various business units to minimise disruption. We are working closely with the leadership teams and management communication channels, to provide you with as much information as possible.

However, as a consequence of the appointment, the Receivers have assumed responsibility for the management of Mosaic Brands Group and take control of its operations and business. Therefore, from today there will be some new requirements in place with respect to day to day trading. We will seek to minimise disruption to what is in the ordinary course, however it is important that all employees are made aware that without the written authority of the Receivers, you must not, nor must you permit anyone else to:

- Place any orders for goods or services, unless they have been duly authorised by the Receivers or others as notified in our circular to creditors;
- Accept delivery of any goods or services unless they are the subject of a duly authorised order;
- Enter into any commitments with suppliers or customers;
- Make any compromise or arrangement with any debtor or creditor of the Mosaic Brands Group, including the allowance of any set-offs;
- Incur any debts or liabilities in the name of the Mosaic Brands Group entities or pledge its assets;
- Return any goods to suppliers;
- Make any payments; and
- Remove any of the Mosaic Brands Group's assets from its custody or control.

Every invoice, order for goods, business letter, or similar document must have the words "(Receivers and Managers Appointed)" immediately following the relevant Mosaic Brands Group entity name.

All Mosaic Brands Group's assets must be secured against theft.

We must be notified in writing immediately of all known breaches of the law or regulations (for example, health, safety, hygiene, fire, etc).

Should you have any queries in relation to the impact of the appointment of Receivers on your role and responsibilities, please contact your manager in the first instance.

2 Sale of business

The Voluntary Administrators will shortly be commencing a process for the sale of some or all of the Mosaic Brands Group.

If a sale of some or all of the Mosaic Brands Group is achieved, your employment may continue with the purchaser however the Receivers are not able to provide any guarantees in this regard. We emphasise the outcome of the sale process is uncertain and not something the Receivers are able to comment on further at this early stage.

3 Your employee entitlements at the date of the Receivers' appointment

The Receivers will write to you in due course regarding your outstanding pre-appointment employee entitlements.

Please note that employees, other than directors or related persons, have a statutory priority of payment ranking ahead of the secured creditor's right to certain assets. The priority extends to outstanding employee entitlements such as wages, superannuation, holiday pay and long service leave.

The assets concerned are those which are subject to the circulating portion of the security interest under which we were appointed. The priority claims of directors and related persons are limited to \$2,000 for wages and superannuation contributions and \$1,500 for holiday pay and long service leave.

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 Mosaic Brands Group is placed into liquidation.

4 Employee queries and change of contact details

Please send all employee related queries through to the following email address mozemployees@kpmg.com.au, including any change of address or contact details.

5 Confidentiality

While employed by the Mosaic Brands Group or after leaving the Mosaic Brands Group, you must not disclose, (except in the proper course of your duties or as is required by law), any confidential information acquired by you about the Mosaic Brands Group and associated businesses, its products and customers to any person or organisation, including the Mosaic Brands Group's directors, except where written permission is granted by the Receivers or their authorised representatives. You must not use any confidential information in a manner which may cause injury or loss to the Mosaic Brands Group and associated businesses.

If you leave the Mosaic Brands Group's employment, you must return all Mosaic Brands Group property and confidential documents.

6 Further information

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

Questions regarding your employment should be directed by email to mozemployees@kpmg.com.au in the first instance.

Yours faithfully

Mosaic Brands Group



Amanda Coneyworth
Receiver and Manager