



**Ziera Retail Australia Pty Limited
ACN 069 685 383 (Ziera).**

Customer Frequently Asked Questions

24 September 2019

Shaun Fraser and Katherine Sozou were appointed Joint and Several Voluntary Administrators (**Administrators**) of Ziera on 24 September 2019 following a resolution of its board of directors.

The purpose of this document is to answer some frequently asked questions that customers may have about the Administration.

This information sheet covers the following key areas:

- operations;
- administration process;
- gift cards, lay-bys, loyalty schemes; and
- returns and warranties.

As Administrators, we act as agents of Ziera. The Administrators assume control of Ziera and make all financial and strategic decisions, working with Ziera management.

Please note that this document will be revised periodically by the Administrators and is subject to change. Any revised documents will be made available in store and on McGrathNicol's website www.mcgrathnicol.com.au under the "Creditors" tab.

Queries

Customer queries should be directed to ZieraGeneral@mcgrathnicol.com.

The Administrators or Ziera staff may respond directly or by update to this FAQ. The Administrators will also add to this document as required and updated versions will be provided to stores.



OPERATIONS

Is the business continuing to trade?

Yes.

The Administrators are working with the company and its management team to restructure its physical store footprint, and recalibrate the network to the core, profitable locations across Australia.

The Administrators are conducting an urgent review, including a possible exit of unprofitable stores in New South Wales, Victoria and Queensland.

How soon will a decision be made about the future of Ziera?

No timetable has been set at this time. The Administrators will provide updates throughout the administration.

ADMINISTRATION PROCESS

What has happened to Ziera? Why did the administration come about?

The Directors resolved to appoint the Voluntary Administrators following sustained challenges to Ziera business operations. They attribute the problems to increased costs of manufacturing and rent combined with falling sales.

What is a voluntary administration?

Voluntary administration is an insolvency procedure where the directors of an insolvent company (i.e. one that is unable to pay its debts) appoint an external administrator called a 'Voluntary Administrator'.

The role of the Voluntary Administrator is to investigate Ziera's affairs to assess the potential for rehabilitation or recapitalisation, to report to creditors and to recommend to creditors whether Ziera should enter into a Deed of Company Arrangement, go into liquidation or be returned to the directors.

For more information regarding administrations, please visit www ASIC.gov.au.

What is the role/authority of the Ziera directors? Do we take direction from them or from the Administrators?

The Administrators make all financial and strategic decisions relating to Ziera and have ultimate executive control of Ziera.

The Administrators continue to work with Ziera management and employees to serve customers.

Who is McGrathNicol?

McGrathNicol is an independent advisory and restructuring firm specialising in Advisory, Forensic, Transactions, Restructuring and Insolvency.

Where can I get information in relation to the administration?

Information will periodically be posted to the Administrators' website – www.mcgrathnicol.com, under the 'Creditors' tab.

What is the first meeting of creditors?

Please see below for information on gift cards, store credits, lay-bys and the loyalty program as to whether customers are creditors of Ziera.

The Administrators are required to hold a meeting of creditors within 8 business days of their appointment.



If you believe you are a creditor, please see the FAQ for creditors on the Administrators' website – www.mcgrathnicol.com, under the 'Creditors' tab.

What is the second meeting of creditors?

The Administrators are required to hold a second meeting of creditors within approximately 1 month of their appointment. You will receive formal notification of the meeting details ahead of that time.

The purpose of this meeting is predominantly for creditors to determine the future of Ziera. The options available to creditors can include returning control of Ziera back to its directors; executing a Deed of Company Arrangement; or, placing Ziera into liquidation.

CUSTOMERS

If I have paid a deposit or put goods on lay-by, will it be honoured?

Ordinarily, deposits or goods placed on lay-by represent an unsecured claim against Ziera and would not be able to be recovered.

However, during the administration period, the Administrators have agreed to complete sales if deposits have already been made subject to payment of the outstanding balance and stock availability.

Deposits and lay-by payments cannot be refunded. If the stock is not available, the value of the deposit can be applied to purchase an alternate item.

I have placed and paid for an order online, will I still receive my goods?

Ordinarily, goods paid for online represent an unsecured claim against Ziera and would not be able to be recovered.

However, during the administration period, provided Ziera has the stock available, the Administrators will fulfil your order. If the stock is not available, the value of the order can be applied to purchase an alternate item.

Are gift cards and store credits being honoured?

Ordinarily, gift cards and store credits represent an unsecured claim against Ziera and would not be able to be redeemed.

The Administrators have agreed to honour gift cards and store credits in store only, on the basis that the total transaction is at least double the value of the gift cards or store amount utilised in that transaction (i.e. to utilise a \$100 gift card, the value of the transaction must be at least \$200).

If customers do not utilise or are unable to utilise their gift cards or store credit in accordance with the abovementioned conditions, they can complete a Proof of Debt for the balance they are owed.

Is the VIP loyalty programme still being honoured?

The Administrators have determined to no longer allow redemption of existing VIP points or related awards during the Voluntary Administration period. **Customers may complete a Proof of Debt for the balance they are owed.**

Can I exchange my goods?

Exchanges must be processed in a single transaction and are subject to stock availability. The Administrators will not issue or authorise any cash refunds or store credits for exchanged stock.

Can I return my goods?

Returns will only be accepted by way of exchange. The Administrators will not issue or authorise any cash refunds for returned stock.



If customers wish to return but not exchange stock, they can complete a Proof of Debt for the amount they are owed. A copy of the receipt signed by the sales assistant must be attached to the Proof of Debt.

How do we deal with faulty goods or warranty claims?

Ordinarily, warranty claims for items purchased prior to 24 September 2019 represent an unsecured claim against Ziera and would not be able to be recovered.

However, during the administration period, the Administrators have agreed to honour warranty claim in accordance with Ziera's existing policies.

Faulty goods policy will continue in accordance with the existing store policy for goods purchased on or after 24 September 2019.

What happens if I place a deposit after the date of Administration?

Any sale transaction entered into by deposit after the date of the Administration is guaranteed by the Administrators.