



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

Suppliers 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 employees, customers and suppliers may have about the Administration.

This information sheet covers the following key areas:

- operations;
- administration process; and
- suppliers.

As Administrators, we act as agents of Ziera. The Administrators are not adopting any contract that exists, or may have existed, between any party and Ziera.

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

Supplier queries should be directed in the first instance to their usual contact within the Ziera.

Queries can also be emailed 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 the Ziera's affairs to assess the potential for rehabilitation or recapitalisation, to report to creditors and to recommend to creditors whether the 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. Ziera's directors' duties are suspended while Ziera is in Administration.

The Administrators continue to work with Ziera management and employees should continue to report to their store / operations managers.

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?

The Administrators are required to hold a meeting of creditors within 8 business days of their appointment. You will receive formal notification of the meeting details over the next few days.

At the meeting, creditors are given the opportunity to replace the Administrators with alternative administrators and to form a committee of creditors. A committee of creditors may be formed, following a



vote of creditors, to consult with the Administrators and receive reports on the conduct of the administration. A committee of creditors can also approve the Administrators' fees.

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 if one is proposed; or, placing Ziera into liquidation.

Should I attend the creditor meetings?

Creditors are entitled to attend the meetings of creditors or appoint a proxy on their behalf. A proxy form will be provided to you together with notice of the meeting.

SUPPLIERS

What is the process for receiving orders from Ziera?

The process for orders under Administration is:

- open a new account styled "Ziera Retail Australia Pty Limited (Administrators Appointed)"
- purchase orders will be provided but must be authorised by an authorised signatory (please refer circular to supplies for authorised signatories)

When issuing invoices for supply after the appointment of Administrators, please ensure the above company name is used on invoices and that a copy of the invoice is sent to your usual address as well as to ZieraGeneral@mcgrathnicol.com (along with a copy of the authorised purchase order and delivery docket to ensure no delays in processing for payment).

What should I do with deliveries received?

If the stock has been prepaid, the delivery should be accepted. If the stock has not been paid for, please consult with the Administrators and their representatives.

Who is authorised to place orders?

Please refer to the circular to suppliers for authorised signatories. These are currently: Shaun Fraser, Katherine Sozou, Damien Pasfield, Rajiv Goyal, Richard Woolf and Jason Garcia.

What are the terms of trade?

The Administrators' accounts will be paid 30 days end of month unless otherwise agreed with the Administrators.

Will outstanding supplier accounts be paid?

The amount outstanding at the date of the Administrators' appointment is an unsecured debt of Ziera and unfortunately cannot be paid. Please refer to the circular to creditors dated 24 September 2019 for further information.

I have received a payment; can I apply this to amounts owed to me?

No, all payments made by the Administrators must be applied to post-appointment supply.

How do suppliers lodge a claim?

To lodge a claim suppliers must complete a proof of debt or claim form. These are available on the Administrators website and attached to the circular to creditors dated 24 September 2019. These can be forwarded to ZieraGeneral@mcgrathnicol.com or left with the sales assistant who can arrange for these to be passed to the Administrators.

Ziera has an amount outstanding, why should suppliers continue to trade with the Administrators?



Under the Corporations Act 2001, the Administrators' are personally liable for debts incurred post 24 September 2019 with their express authority (i.e. have been ordered via an authorised purchase order).

Accordingly, any orders authorised by the Administrators will be paid.