

# Mosaic FAQ Info Sheet



## What is the difference between administrators and receivers?

Mosaic Brands (and its subsidiary companies) have been placed in receivership and administration. KPMG have been appointed receivers. At the same time, FTI Consulting have been appointed administrators.

Receivers are appointed by secured creditors to take control of the company's assets and work out the best way for the company to repay the secured debt. In this case, KPMG have taken control of all the assets of Mosaic Brands and are in charge of running the business until the debts are recovered.

Administrators are in charge of working out what will happen to the company in the future. There are several possible outcomes from the administration process, including sale of the business, a business restructure or closure (liquidation) of the business.

## What's happened to my entitlements?

Employees may have outstanding entitlements to annual and long service leave. Employees may also have outstanding payments in lieu of notice or redundancy pay if their roles have been made redundant. These entitlements are considered a debt owed by the company, which means employees are also creditors, just like suppliers and other people owed money by the company.

All debts, including employee entitlements, are frozen until the administration period ends. Employee entitlements have priority over other unsecured creditors, such as suppliers.

## Will my entitlements be paid?

It looks like there are enough assets in the company to cover all outstanding employee entitlements once the administration comes to an end. In the unlikely event that there is not, employee entitlements including annual leave, long service leave and redundancy pay (but not superannuation) are covered by the Government's Fair Entitlements Guarantee (FEG) and will be paid.

## When will we know the outcome of the administration?

The decision on the future of the business is usually made at the second meeting of creditors held by the administrators. FTI Consulting has until 30 June 2025 to hold this meeting, but it may be held earlier.

## Is the SDA representing me in the process?

Yes. The SDA has been in discussions with the receivers and administrators on behalf of all members. The SDA has engaged experts in the field of administration of companies to represent the interests of our members throughout the voluntary administration process.

At the first creditors meeting, SDA Officials and advisors attended the meeting and spoke on behalf of members.

## Do I need to fill in a form to have the SDA represent me?

No. The SDA will represent all members but only members. The SDA will not be making representations for non-members.

There is a special process in place for creditors meetings, where proxy forms need to be completed so the SDA can exercise a vote on your behalf if needed. When the second meeting of creditors is called by the administrator, we will be in contact with members about this process.

## Can the company put conditions on gift cards?

Yes. A gift card is like a debt the company owes to a customer. Customers holding gift cards are also considered creditors. Receivers are allowed to put conditions on them, such as requiring another purchase, to redeem the gift card. You should follow the Receiver's instructions in relation to gift cards.

## What if customers are abusive or aggressive about gift cards?

The safety of SDA members at work is our utmost priority. The SDA has been engaging the company about safety issues related to gift cards.

As a result of these engagements, the company has amended its policy relating to gift cards to allow employees to accept gift cards to de-escalate situations with aggressive customers.

You should follow the Receiver's instructions in relation to gift cards and report all incidents of customer abuse to your manager and the SDA.