

2 July 2018



NOTICE TFS 2003 GROWERS – RESPONSE TO SGC CLAIMS

Dear Grower

Quintis would like to correct a number of errors and misrepresentations included in the Sandalwood Growers Co-Op (“SGC”) email sent by Mr Teague Czislowski on Friday:

“Surge to victory”

- This claim is misleading as the SGC is excluding the two largest growers in the TFS2003 scheme. Quintis and its Directors owns 6% and an institutional investor owns 37%. In addition, Quintis has received a number of proxies to vote against the SGC resolutions directly from growers.
- As a result, SGC’s claim that support is “surging well past the voting threshold required” is incorrect.

“Quintis has held private meetings”

- This is correct. In recent weeks, Quintis has made efforts to contact every TFS2003 grower with an offer to discuss or meet. As a result, some growers have met with Quintis staff to discuss this month’s vote. We note that the SGC has conducted a very similar communications plan, by contacting growers and meeting privately with many of them.
- In our communications to growers we have explained why Quintis’ recapitalisation is significantly positive for MIS growers because your rights have been preserved and Quintis will emerge from receivership as a fully funded and revitalised company which will continue operations in the ordinary course. We have also explained the number of misleading comments and actions from the SGC – including their self-interested decision to cast the only vote for the liquidation of Quintis at the recent creditors’ meeting when the creditors overwhelmingly voted in favour of the recapitalisation.

“Offers to buy out interests” of growers

- This is entirely false. Last week, one TFS2003 grower approached Quintis’s staff asking Quintis to buy his interests. The receivers spoke to that grower on Friday morning and the grower was informed that Quintis is not interested in acquiring grower lots.

“Subject of complaint”

- Neither Quintis nor the receivers have received a complaint.

“Personally pursuing SGC supporters”

- Arwon Finance (a Quintis entity) is taking legal action against Mr Frank Wilson (a founding Director of the SGC) in respect of a loan of approximately \$12m owed by Mr Wilson. These legal proceedings were commenced prior to Mr Wilson establishing the SGC.
- The receivers have been granted the right by ASIC to examine Mr Wilson and the Supreme Court has made orders for the examination, under oath, to take place on a number of matters relating to Mr Wilson’s time as Managing Director of Quintis.
- Mr Wilson is the subject of on-going civil proceedings brought by ASIC – Quintis and the receivers are not a party to these proceedings.
- Mr Wilson is also the defendant in three separate class actions being brought by shareholders of Quintis Limited – the receivers are not a party to the proceedings and Quintis is a defendant.

We apologise for the constant communications on the subject of this month’s vote. However, we feel obliged to correct the increasing number of misleading statements published by the SGC.

If you would like to discuss any of these matters with the Quintis team or with the receivers directly, please do not hesitate to contact us.

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All entities subject to (Administrators Appointed) (Receivers and Managers Appointed)