

FEDERAL COURT OF AUSTRALIA

NOTICE AS TO PROPOSED SETTLEMENT WITH QUINTIS AND UPCOMING MEDIATION WITH MR WILSON AND ERNST & YOUNG

A. IMPORTANT INFORMATION

1. This notice has been published regarding: (i) the settlement with Quintis (**Settlement**); and (ii) an upcoming mediation with Mr Wilson and Ernst & Young (EY) (**Mediation**).
2. The Settlement and the Mediation concern two shareholder class actions:
 - (a) Geoffrey Peter Davis v Quintis, brought on behalf of persons who acquired an interest in ordinary shares in Quintis between 31 August 2015 and 15 May 2017 (inclusive), and includes those persons who already had an interest in ordinary shares in Quintis before 31 August 2015 (**Davis Class Action**); and
 - (b) Excel Texel Pty Ltd v Quintis, brought on behalf of a closed group of persons who acquired their interest in ordinary shares in Quintis between 1 July 2015 and 10 May 2017 (**Excel Texel Class Action**).
3. This notice is being sent to all group members in the Davis Class Action. The solicitors conducting the Davis Class Action are Piper Alderman.
4. This notice is approved by the Court and explains some things about the Settlement and the Mediation to allow you to work out whether you agree or disagree with the Settlement and wish to register for the Mediation.

B. PROPOSED SETTLEMENT WITH QUINTIS

B.1 Update in relation to the Settlement

5. You have previously been sent a notice informing you that Quintis has agreed to pay approximately \$4.37 million (**Settlement Sum**) to settle both the Davis Class Action and the Excel Texel Class Action. The amount of \$4.37 million was all that was left under an insurance policy that Quintis held and was the only available asset of Quintis to meet any claim in both the Davis Class Action and Excel Texel Class Action.
6. A judge of the Federal Court of Australia needed to decide whether the Settlement was fair and reasonable which was to occur on 7 May 2020. Prior to that hearing, certain documents came to light which suggested that Quintis might have significantly more than \$4.37 million available in insurance to respond to the claims in the Davis Class Action and the Excel Texel Class Action.
7. There was a separate hearing to determine the amount of insurance that Quintis had available to respond to claims in the Davis Class Action and the Excel Texel Class Action. A single judge of the Federal Court of Australia initially found that there was more insurance available. However, that decision was overturned on appeal by three judges who held that there was no extra insurance available. The practical effect is that there remains only approximately \$4.37 million of insurance available for Quintis to settle both the Davis Class Action and the Excel Texel Class Action.
8. The Federal Court will determine whether the Settlement is fair and reasonable. That hearing will happen on **1 July 2022**.

B.2 Allocation and Distribution

9. The Settlement Deed entered into between the applicants in the Excel Texel Proceeding and the Davis Proceeding and Quintis does not specify how the Settlement Sum will be divided between the Group Members in the Excel Texel Class Action and the Davis Class Action. An agreement has not been reached between the Davis Class Action and the Excel Texel Class Action as to how the Settlement Sum should be allocated between the two class actions and when it should be distributed. The Court will at some point determine how and when the Settlement Sum is to be allocated and distributed, however it is likely (although it may not) occur in late October after the Mediation which is to occur by 7 October 2022.

B.3 What do I need to do?

<i>If you <u>support</u> the proposed settlement with Quintis</i>	<ul style="list-style-type: none"> You do not have to do anything.
<i>If you <u>disagree</u> with the position of the Davis Applicants (namely, you think that the Settlement Sum should be allocated and distributed between the two class actions now)</i>	<ul style="list-style-type: none"> You should tell the Judge and the parties why. This is best done by sending written material for the Court to consider well before the hearing. This should be done by sending the material to NSWReg@fedcourt.gov.au, and the court would prefer if this was sent by 4:30pm on 28 June 2022. You can also tell the Court your concerns at the hearing. Arrangements will be made to allow you do this if you want. If you want to speak to the Judge about the settlement at the hearing this can be arranged by you sending an email to NSWReg@fedcourt.gov.au.

C. MEDIATION WITH MR WILSON AND EY

C.1 Key Points

10. The Court has ordered that the Mediation with the other respondents in the Davis Class Action, Mr Wilson (the former Managing Director of Quintis) and EY (the auditors of Quintis), take place by **7 October 2022**.
11. If you wish to obtain compensation from any settlement of the Davis Class Action you must register your details with Piper Alderman by **5 August 2022** by:
- Completing and submitting the online Davis Class Action Group Member Registration Form (**Registration Form**) at <https://piperalderman.com.au/group-member-registration-form-quintis-class-action/>; or
 - Completing and returning the hard copy Registration Form attached to this notice to Piper Alderman by email or post (address details are on the form).
12. You do not need to complete and return any forms if you have previously registered for the Davis Class Action with Piper Alderman or LCM, and provided to Piper Alderman or LCM the trade information requested in the attached Registration Form.
13. The applicants in the Davis Class Action intend to seek an order that if you have not already registered, retained Piper Alderman and/or signed a funding agreement with LCM and you do nothing, you will remain a Group Member of the Davis Class Action and will be bound by any

judgment or settlement agreement in the proceeding, but will not be entitled to share in any settlement that occurs before 4 weeks prior to the first date of the final hearing.

C.2 What do You Need to Do Before the Mediation?

14. If you are a Group Member of the Davis Class Action, you have two options at this stage:

- (a) Register; or
- (b) Do nothing.

15. If you have already:

- (a) signed a funding agreement with LCM, signed a retainer with Piper Alderman, completed a group member registration form through a domain hosted by Piper Alderman; and
- (b) provided to Piper Alderman or LCM the trade information requested in the attached Registration Form,

you are deemed to have already registered and you do not need to do anything else.

16. If you have not taken the steps identified at paragraph 15 above, you may take one of the following steps by **5 August 2022**:

Option 1 – Register your interest in receiving compensation in a settlement of the Davis Class Action

17. If you wish to share in the settlement from the Mediation you must submit a Registration Form. You can do this online, by post or by email:

- (a) Complete and submit the online Registration Form at <https://piperalderman.com.au/group-member-registration-form-quintis-class-action/>; or
- (b) Complete and return the hard copy Registration Form attached to this Notice to Piper Alderman by email or post (address details are on the form).

18. Registration Forms must be completed online or returned to Piper Alderman before **5 August 2022**. Registration Forms completed after this time will not be accepted and you will be treated as having not responded to this notice (see Option 2 below).

Option 2 – Not respond to this Notice

19. The applicants in the Davis Class Action intend to seek an order that if you do nothing (i.e. you do not act in accordance with Option 1), you will remain a Group Member in the Davis Class Action and be bound by any judgment or settlement agreement in the proceeding, but will not be entitled to any share of any monetary compensation that is gained from a settlement that occurs before 4 weeks prior to the first date of the final hearing.

20. If the Davis Applicants settle the proceedings, the applicants in the Davis Class Action intend to seek orders the effect of which will be that all Group Members will be bound by the settlement of that proceeding, and you will not be permitted to bring a further claim against Mr Wilson or EY in relation to the same issues as are raised in the Davis Class Action and will not be entitled to share in any settlement unless you have registered in accordance with this notice.

D. OTHER MATTERS

D.1 Will you be liable for legal costs?

21. You will not become liable for legal costs simply by registering your interest in receiving compensation or remaining as a Group Member for the determination of common questions.
22. If the Davis Class Action is unsuccessful, the litigation funder LCM will pay the Davis Applicants' costs and satisfy any order against the Davis Applicants to pay Mr Wilson's and EY's costs.
23. You should be aware that courts commonly make orders requiring group members who recover compensation through a class action to make a contribution from that compensation to the legal costs and/or funding costs involved in running the proceeding. To date, this has been done by way of funding equalisation orders or common fund orders.
24. Funding equalisation orders adjust the returns to funded and unfunded group members so they are equal. Courts have made these orders in the past in recognition that fairness requires that group members receive the same rate of return, whether or not they signed a funding agreement. Common fund orders require group members who receive compensation to pay a percentage of it to the litigation funder who has funded the proceeding.
25. If the Court makes orders requiring group members to make a contribution from any compensation that they receive to the legal or funding costs of the proceeding, this will not: (1) be an out of pocket expense; (2) exceed the amount of compensation received; and (3) you will not be left out of pocket as a result.

D.2 Further work

26. If the Davis Class Action resolves by way of a judgment in favour of the Davis Applicants, or by way of a negotiated settlement, then the finalisation of your personal claim might require work to be done in processing your claim. If such work is required you may need legal assistance. You may enter into a retainer agreement with Piper Alderman or other solicitors to do that work if it becomes necessary and you will be liable for legal costs associated with the determination of issues concerned only with your claim.

D.3 How can I find out more information?

27. Please consider the above matters carefully. If there is anything of which you are unsure you should contact Piper Alderman or seek your own legal advice from your own solicitor.
28. If you are unclear about whether you are a Group Member in the Davis Class Action, or if you want any more information or have any other questions regarding the Settlement and the Davis Class Action generally, you should not contact the Federal Court but instead:
 - (a) download documents from <https://piperalderman.com.au/class-actions/quintis-limited-class-action/> or https://www.lcmfinance.com/class_action/quintis/; and/or
 - (b) email Piper Alderman, the solicitors for the Davis Applicants, at qinshareholder@piperalderman.com.au or call +61 2 9253 9999 and ask to speak to Jordana Yencken-Nissenbaum.

GROUP MEMBER REGISTRATION FORM

QUINTIS CLASS ACTION

Davis & Anor v Quintis Limited & Ors

Please complete and return this form by 5 August 2022

NOTE: You do not need to complete and return this form if you have previously registered for the Davis Class Action with Piper Alderman or LCM, and provided to Piper Alderman or LCM the trade information requested below.

Online: <https://piperalderman.com.au/group-member-registration-form-quintis-class-action/>

QR:



Post: Quintis Class Action
Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Email: qinshareholder@piperalderman.com.au

Phone: +61 2 9253 9999 and ask to speak to Jordana Yencken-Nissenbaum

Full name of group member	
Registered owner of shares (if different from name of group member)	

Form continues on the following page

Security Reference Number (SRN) or Holder Identification Number (HIN) (if available)			
Full name of person completing this form			
Authority of person completing this form (e.g. company director, lawyer)			
Telephone contact			
Postal address			
Email address			
How many Quintis Ltd shares did you hold at the commencement of trading on 31 August 2015 ?			
Did you purchase any Quintis Ltd shares prior to 31 August 2015 that you held (did not sell) until 15 May 2017?			
Trade Information			
In the section below, list the details of all transactions and trades in Quintis Ltd shares between 31 August 2015 to 15 May 2017 (inclusive) (Claim Period) and all transactions and trades in Quintis Ltd shares made prior to 31 August 2015 and held during the Claim Period (add additional pages if required)			
Date	Transaction (Buy or Sell)	Number of Shares	Unit Price per share

7.

I confirm that the information I have provided in this form is true and complete.

Name:

Date

Signature