

FEDERAL COURT OF AUSTRALIA

NOTICE AS TO PROPOSED SETTLEMENT OF THE EXCEL TEXEL CLASS ACTION AGAINST QUINTIS AND UPCOMING MEDIATION WITH MR WILSON

A. IMPORTANT INFORMATION

1. This notice has been published regarding:
 - (a) the settlement with Quintis (**Settlement**); and
 - (b) an upcoming mediation with Frank Wilson (the former Managing Director of Quintis) (**Mediation**).
2. The Settlement and the Mediation concern two shareholder class actions:
 - (a) Geoffrey Peter Davis v Quintis which has been brought on behalf of persons who acquired an interest in ordinary shares in Quintis in the period commencing on 31 August 2015 and concluding on 15 May 2017, including 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 which has been brought on behalf of a subset of persons who acquired an interest in ordinary shares in Quintis between 1 July 2015 and 10 May 2017 (**Excel Texel Class Action**).
3. This is being sent to group members in the Excel Texel Class Action. The lawyers conducting the Excel Texel Class Action are **Gadens**, and litigation funding is being provided by **Ironbark**.
4. If you are receiving this notice, it is because you are a Group Member in the Excel Texel Class Action, because it is only being sent to persons who have registered with the Excel Texel Class Action.
5. Because this is a class action, a judge of the Federal Court must decide whether it is a fair and reasonable settlement for the class members. The judge will have a hearing to decide whether the settlement is fair and reasonable at 4.30pm on 1 July 2022.
6. 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 it.

B. PROPOSED SETTLEMENT OF THE CLASS ACTION

B.1 Settlement Sum

7. 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.
8. 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.

9. 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 \$4.37 million of insurance available for Quintis to settle both the Davis Class Action and the Excel Texel Class Action.

B.2 Distribution of the Settlement Sum

10. 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 to occur (although it may not) in late October after the Mediation which is to occur by 7 October 2022.

B.3 Costs of the Excel Texel Class Action to date

11. Ironbark has been funding the legal costs involved in running the Excel Texel Class Action. The Excel Texel Applicants would have been unable to commence or continue the Excel Texel Class Action without that funding.
12. Ironbark has agreed not to seek reimbursement at this time of its legal costs incurred in funding the Excel Texel Class Action but will do so when the matter concludes.

C. WHAT DO YOU NEED TO DO?

<p><i>If you <u>support</u> the proposed settlement</i></p>	<ul style="list-style-type: none"> • You do not have to do anything, and you will get any money payable to you once the Court has determined how and when the Settlement Sum is to be allocated and distributed.
<p><i>If you <u>disagree with</u> the proposed settlement (or how it is proposed to be distributed)</i></p>	<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 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. Due to the impacts of COVID-19, a hearing will probably not happen in a courtroom where people come along in person, and if you want to speak, this will likely involve providing you with a video link or telephone link. If you want to speak to the Judge about the settlement at the hearing this can be arranged by you sending an email nswreg@fedcourt.gov.au. Please note, even if you object, you will still receive money from the settlement if the Court allocates some of that money to the Excel Texel Class Action.

D. MEDIATION WITH MR WILSON

13. The Court has ordered that the Mediation with the other respondent in the Excel Texel Class Action, Mr Wilson (the former Managing Director of Quintis), take place by **7 October 2022**.

E. WHERE TO GET MORE INFORMATION

14. If you want any more information or documents, do not contact the Court, but download documents from the website (<https://classactions.gadens.com/Actions/Details/8>), or telephone Gadens on (03) 9617 8520 or email simon.theodore@gadens.com.
15. Please consider the above matters carefully. If there is anything of which you are unsure, you should contact Gadens, or seek your own legal advice. Please bear in mind that while you should contact Gadens for further information as necessary, if you do not require further assistance, it is in the interests of all class members to keep any further costs to a minimum.