**[ANNEXURE A – Settlement Notice]**

**FEDERAL COURT OF AUSTRALIA**

**NOTICE AS TO PROPOSED SETTLEMENT OF THE EXCEL TEXEL CLASS ACTION AGAINST QUINTIS LTD**

**A. IMPORTANT INFORMATION**

1. This notice has been published because a settlement has been reached with Quintis Ltd (**Quintis**) in relation to two shareholder class actions brought against it.
2. The two shareholder class actions are:
   1. 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
   2. 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 a company called Ironbark Funding Navy Pty Ltd (**Ironbark**).
4. You are a Group Member in the Excel Texel Class Action if you are receiving this notice, 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 of Australia (**Federal Court**) must decide whether it is a fair settlement for the class members. The judge will have a hearing to decide whether the settlement is fair at 10:15am on 7 May 2020.
6. This notice is approved by the Court and explains some things about the settlement to allow you to work out whether you agree or disagree with it.

**B. PROPOSED SETTLEMENT OF THE CLASS ACTION**

**B.1 Settlement Sum**

1. Quintis has agreed to pay the balance remaining of the sublimit of Quintis’ insurance to settle both the Davis Class Action and the Excel Texel Class Action, which is approximately $4.37 million (**Settlement Sum**). The Settlement Sum is the only available asset of Quintis to meet the claims of the Davis Class Action and the Excel Texel Class Action.
2. If the settlement is approved by the Court, the Excel Texel proceeding will continue against Wilson, but will not continue against Quintis.

**B.2 Distribution of the Settlement Sum**

1. The Settlement Deed 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. It does not guarantee that any amount will be allocated to the Excel Texel Class Action.
2. The Excel Texel applicants (and those acting for them) consider it is in the interests of group members in the Excel Texel Class Action for a substantial amount to be allocated from the Settlement Sum to the Excel Texel Class Action.
3. What the Excel Texel applicants **propose and will ask the Court to approve** is the following:
   1. that 50% of the Settlement Sum be “allocated” to the Excel Texel Class Action;
   2. that of that amount:
      1. 40% be held for distribution to group members at an appropriate time, including by way of interim distribution; and
      2. 60% be held to fund current and future legal costs incurred in prosecuting the Excel Texel Class Action against parties other than Quintis.
4. In obtaining court approval, it is necessary for the lawyers acting for the Excel Texel applicants (including Gadens and counsel) to give the Court an opinion as to whether the settlement is a fair settlement. Although the Excel Texel applicants will ask the Court to approve the settlement, because there is no guarantee at the moment that any amount of the Settlement Sum will be allocated to group members in the Excel Texel Class Action, all the lawyers for the Excel Texel Class Action may not be able to support the settlement contained in the Settlement Deed as being a fair settlement, unless a substantial amount of the settlement is allocated to the Excel Texel Class Action per the above proposal.

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

1. 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.
2. Ironbark has agreed not to seek reimbursement at this time of all of its legal costs incurred in funding the Excel Texel Class Action even if 60% of the proportion allocated to Excel Texel group members is insufficient to cover all costs incurred to date. This ensures that an amount is held for distribution to the Excel Texel group members from the settlement with Quintis.

**C. What do you need to do?**

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| *If you support the proposed settlement* | * You do not have to do anything, and you will get the money payable to you once it has been finally calculated if the Court agrees with the Excel Texel applicants’ proposal to allocate some of that money to the Excel Texel Class Action. |
| *If you disagree with the proposed settlement (or how it is proposed to be distributed)* | * 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 **nswdr@fedcourt.gov.au**, and the court would prefer if this was sent by **27 April 2020**. 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 coronavirus, 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 to **nswdr@fedcourt.gov.au**.   Please note, even if you object, you will still receive money from the settlement if it goes ahead and if the Court agrees with the Excel Texel applicants’ proposal to allocate some of that money to the Excel Texel Class Action. |

**E. WHERE TO GET MORE INFORMATION**

1. If you want any more information or documents, do not contact the Court, but instead download documents from the website (<https://classactions.gadens.com/Actions/Details/8>), telephone Gadens on (03) 9617 8520 or email [simon.theodore@gadens.com](mailto:simon.theodore@gadens.com).
2. 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.