

## **CONSULTANCY ARRANGEMENT FOR QUINTIS MANAGED INVESTMENT SCHEMES**

On 26 February 2018, Primary Securities Ltd (**Primary**) entered into an arrangement with the Receivers and Managers of Sandalwood Properties Limited under which Sandalwood Properties Limited (Administrators Appointed)(Receivers and Managers Appointed) (as responsible entity for the registered Quintis managed investment schemes (the **Quintis MIS**)) (the **Quintis RE**) engages Primary to act as an independent consultant to the Quintis RE.

The objective of this arrangement is to allow Growers to receive an independent review of the performance of the Quintis RE and to provide for reporting to Growers on matters of importance to their interests.

Our engagement has been designed to address the concerns that we anticipate Growers in the Quintis MIS may have in relation to their investments.

The scope of our role as consultant is as follows in relation to each Quintis MIS:

### **1 Project Review (Risk & Financial)**

- (a) Advising on the management of the operations of each of the relevant MIS as required and requested by the Quintis RE, including an initial review of the Project's compliance with its legislative and legal requirements and agreeing with the Quintis RE any actions required to remedy any identified instances of non-compliance.
- (b) Assisting the Quintis RE to prepare updated financial statements and compliance audits for the Project as required and requested by the Quintis RE.
- (c) Investigating adequate controls are in place to protect and account for property of the relevant MIS, including any money due and payable to Growers.
- (d) Liaising with any custodian where there is a custodian holding funds on behalf of Growers.
- (e) Inspecting the security of the line of tenure of Growers and monitoring the payment of rent and in consultation with the Quintis RE preparing and providing a report (which is given prior approval by the Quintis RE) on the inspection to Growers.
- (f) Monitoring the payment of rates and taxes and in consultation with the Quintis RE preparing and providing a report (which is given prior approval by the Quintis RE) on the payment of rates and taxes to Growers.
- (g) Monitoring insurance in relation to the plantations and the payment of premiums and in consultation with the Quintis RE preparing and providing a report (which is given prior approval by the Quintis RE) on insurance to Growers.
- (h) Inspecting and monitoring water rights and in consultation with the Quintis RE preparing and providing a report (which is given prior approval by the Quintis RE) on water rights to Growers.

### **2 Operational Review**

- (a) Inspecting the plantations and operations held by the relevant MIS (including any inventory and survival analysis) and subject to consultation with the Quintis RE, preparing and providing a report on the inspection to Growers.



### **3 Sales & Marketing**

- (a) Investigating the method of marketing of sandalwood products and making any recommendations considered desirable to ensure that a fair market price or better is achieved in the sale of products.
- (b) Monitoring and overseeing the marketing of sandalwood products derived from the relevant MIS for the purpose of ensuring that a fair market price or better is achieved in the sale of the products.

Our fees are being paid for by the Quintis RE, and as the duties relate to the maintenance and preservation of the relevant MIS, the costs will eventually be payable by the relevant Quintis MIS from proceeds and will be protected by an equitable lien.

26 February 2018