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***Proposed Scheme of Arrangement – Chairman’s Address and  
Summary of Proxys Received***

14 March 2018 – Trilogy International Limited (NZX:TIL, ASX:TIL) (“TIL” or the “Company”) is pleased to provide the Chairman’s address for today’s Special Meeting of Shareholders and a slide showing a summary of proxy votes received.

TIL will release the results of voting on the Resolution to approve the Scheme at the meeting today as soon as this information is available.

**CHAIRMAN’S ADDRESS – GRANT BAKER**

Good morning everyone, my name is Grant Baker and I am the Chairman of TIL's Board of Directors. On behalf of the Directors, I would like to extend a very warm welcome to you all and thank you for your participation in this important point in the Company’s history.

As you are aware, we are here today to vote on the Resolution to approve the Scheme of Arrangement in relation to the proposed acquisition of all of the shares in TIL by CITIC Capital. Before we vote on the Resolution, I would like to re-cap the events leading up to today, and provide an update on the status of the proposed Scheme.

**The Scheme**

On 15 December 2017, TIL announced that it had signed a Scheme Implementation Agreement (“SIA”) with CITIC Capital. The SIA followed confidential discussions between CITIC Capital and the Board, the agreement of commercial terms and a period of due diligence.

The shareholder vote to be held at this meeting is the most important step in that process, where TIL shareholders get to have their say and vote as to whether they support the Scheme.

The Scheme Booklet, issued with the Notice of Meeting for this meeting, contains a description of the scheme, the steps involved in implementing the scheme, shareholders rights through this process and an Independent Adviser's report on the merits of the Scheme. The decision for shareholders is whether or not you would prefer to receive a guaranteed \$2.90 for each share held now or continue to hold your investment in TIL with a view that you may potentially receive higher returns in the future.

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To approve the Scheme, the votes cast in favour of the Scheme Resolution at the Scheme Meeting must represent:

- 75% or more of the votes cast by the shareholders in each interest class entitled to vote and voting on the Scheme Resolution; and
- 50% of the total number of TIL shares on issue.

There are two separate interest classes, one is comprised solely of CIDSUR and the other is comprised of all of the other shareholders. CIDSUR is the owner of the 2,615,181 TIL shares issued through the 25% acquisition of Chilean based rosehip producer Forestal Casino. CIDSUR is required to vote in a separate interest class because the legal effect of the Scheme for CIDSUR is different to all other shareholders. CIDSUR currently holds 3.59% in TIL, and those shares will not be sold under the Scheme but will be transferred to TIL and cancelled, whereas all other shareholders will be paid the Scheme Consideration of \$2.90 per share. CIDSUR has appointed TIL as its attorney and directed it to vote the TIL Shares in favour of the Scheme.

### **Directors recommendation**

As outlined in the Scheme Booklet, your Directors have unanimously recommended that you vote in favour of the Scheme of Arrangement. Your Directors intend to vote in favour with regard to all the TIL shares that they own or control, which equates to 32.209% of TIL's total shares on issue.

This recommendation was made after carefully considering the advantages and disadvantages of CITIC Capital's proposal. In recommending the Scheme your Directors have taken into account that whilst TIL is well positioned to deliver growth in earnings, delivering this growth will take some time and involves execution risks.

Therefore, shareholders may find the opportunity attractive to realise some of the future value of their TIL shares in cash now. The CITIC Capital Scheme price of \$2.90 per share represents a 27.8% premium to TIL's share price immediately prior to signing the SIA and is at the upper end of the Independent Adviser's valuation range.

Throughout this process no superior proposal has emerged that the Directors believe is more favourable to shareholders than the Scheme.

### **Trading update**

TIL's guidance for FY18 remains unchanged as per Grant Samuel's independent adviser's report, which was released to the market with the Scheme Booklet on 22 February 2018. TIL notes that trading in the last three months has been relatively volatile with Ecoya brand sales lower than expected. In addition there are orders for

both Trilogy and Lanocorp that may or may not close around balance date. These factors could negatively impact FY18 earnings by up to 10%.

#### CITIC Capital - The Business Bakery Agreement

TIL has been informed that CITIC Capital China Partners III and The Business Bakery have entered into an agreement under which The Business Bakery has agreed to pay a certain amount of transactional costs in connection with the proposed scheme of arrangement in relation to TIL. This agreement does not impose any additional obligation or requirement on any other TIL shareholder. The scheme is expected to proceed as previously indicated, and remains subject to shareholders approval and OIO consent.

The TIL independent directors have reviewed the deed and have formed a view. I will now ask Mandy Sigaloff to share that view with the meeting.

#### **Process update**

Before moving on to the formal item of business today, I thought it would be worthwhile updating shareholders on the status of our process with the High Court in respect of the Scheme. TIL was granted initial orders in respect of the Scheme on 22 February 2018, a copy of which is included with the Scheme Booklet you will have received.

If shareholders approve the Scheme today, the Scheme will remain conditional on approval by the Overseas Investment Office (“OIO”). Once this approval is received, TIL will apply to the High Court for final orders. We will announce the date of the hearing for final orders and the outcome of that hearing via NZX.

If approval is given at that final court hearing, TIL shares will be suspended from trading on the NZX Main Board at the end of the day on the 11 of April 2018 and shareholders should expect to be paid NZ\$2.90 per share cash consideration on the 20 of April 2018.

#### **Proxies**

Before I open it up to shareholders for questions, I would like to highlight the number of valid proxies received in advance of the meeting. These proxies are shown on this slide and highlight for each class:

- Class 1 (excluding CIDSUR): 71% of TIL Shareholders have voted by proxy, and over 98.4% of those are IN FAVOUR. The proxy votes include the vote of the the Business Bakery, which hold 31.196% of TIL shares in issue.
- Class 2: CIDSUR has voted by proxy and IN FAVOUR

## **Resolution**

Before I put the resolution I would like to invite shareholders to ask questions.

If there are no further questions, I would now like to move to the formal resolution and requirement for calling this meeting today. The resolution as per the Notice of Meeting is:

That the Scheme (the terms of which are described in the Scheme Booklet as sent to Shareholders dated 22 February 2018) be approved.

I invite you to vote on this resolution now. Please mark your voting paper. A representative from Computershare will collect your papers once you have voted.

## **Concluding remarks**

On behalf of all my fellow Directors I would like to recognise the effort of every TIL employee. Through their skills and expertise they have built the Company into one of the leading natural skincare and home fragrance companies in Australasia.

Importantly, thank you to our shareholders, being Chairman of TIL has been a privilege and an honour. I thank you for your attendance here today, but I also thank you for your support of TIL. I know that some of you have been shareholders from the time we listed the Company in 2010 as ECOYA and your continued support of the Company has been greatly appreciated.

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