



ASX Release

17 November 2014

Changes to Board Policies

The Board of TFS Corporation Ltd ("TFS") (ASX:TFC) wishes to advise of changes to board policies relating to participation by TFS Directors in Company investment products.

The Company has in the past offered loans to both Directors and employees to be used to invest into the Company's sandalwood plantation investment products. In order to enhance Corporate Governance at the Company, the Board has determined that participation will no longer be open to Board Members, effective immediately.

TFS pays commissions for investors introduced to the Company's sandalwood plantation investment products. Previously members of the Board directly investing in investment products were treated identically to any other investor, in order to maintain parity of outcomes when investing. The Board has determined, effective immediately, that commission rebates will no longer be payable to Directors on their own direct investments.

The changes apply to all members of the Board, including CEO Frank Wilson.

TFS Chairman Dalton Gooding said that he was very pleased to be able to immediately clarify this aspect of Board policy.

"Upon being elected as Chairman, and based upon feedback from our investors, I felt this change was important for the Board to undertake. Good Corporate Governance is an important commitment for every company, that only becomes more crucial as the Company grows and matures," Mr Gooding said.

-ENDS-

END

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ABOUT TFS

TFS Corporation Ltd ("TFS", ASX: TFC) is an owner and manager of Indian sandalwood plantations in northern Australia. As part of its vision to be a vertically integrated producer of sandalwood products, TFS owns a significant proportion of the plantations in its own right. TFS also operates sandalwood processing and oil distribution facilities from Albany, Western Australia.

TFS was originally founded to exploit the success of government trials into the plantation growth of Indian sandalwood in the Ord River Irrigation Area (ORIA) of north-east Western Australia.

TFS now manages the largest area of Indian sandalwood plantations in the world, with approximately 9,000 hectares planted of which TFS owns directly and indirectly nearly 3,200 hectares. TFS plantations are managed on behalf of both institutional, high net worth and MIS investors.

In 2014, TFS completed its first commercial harvest of its Indian sandalwood plantations and, via its 50% subsidiary Santalis Pharmaceuticals Inc., entered into a supply agreement for pharmaceutical grade oil with Galderma, a leading global dermatology company.

The company listed on the Australian Stock Exchange in December 2004. Since March 2014, TFS has been an ASX300 company.

TFS is committed to adopting and maintaining the highest environmental and ethical standards in all aspects of its business.

ABOUT INDIAN SANDALWOOD

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood and continues to increase in price each year.

Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, Indian consumer products and for medicinal purposes (Ayurvedic and Chinese medicine) and the wood is used for high quality carvings and artefacts and religious worship in the Hindu and Buddhist faiths. The efficacy of Indian sandalwood is being tested by US dermatology companies and the global pharmaceutical market has the potential to be a significant consumer of Indian sandalwood oil.