

SUNVEST CORPORATION LIMITED

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Level 57, MLC Centre, 19-29 Martin Place, Sydney NSW 2000

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to assist shareholders to more fully understand the reasons for the resolutions that will be put to shareholders at the Annual General Meeting to be held on Thursday 19 November 2015.

Please note that the recent changes to the Corporations Act will apply to this Meeting. The changes could affect whether your proxy is able to vote your shares, particularly in relation to Resolution 1.

Shareholders should read the Notice of Meeting and Proxy Form carefully and consider directing your proxy on how to vote on each resolution by placing a cross in the appropriate box either "For" or "Against" or "Abstain" on the Proxy Form.

Further details of the changes to the Corporations Act are set out in the Notice of Meeting and Proxy Form dealing with Resolution 1.

Item No. 1

June 2015 annual report

The Company's annual report for the year ended 30 June 2015 is presented to shareholders in accordance with ASX Listing Rules and the requirements of the Corporations Act.

The auditor will be in attendance and the directors will invite discussion on the annual report at the Annual General Meeting.

It is not required and it is not intended that a vote be taken on this item of business.

Item No. 2

Resolution No.1

Adoption of Remuneration Report

The Board has submitted its Remuneration Report to shareholders for consideration and adoption by way of a non-binding Advisory Resolution. This resolution is a requirement pursuant to Section 250R of the Corporations Act which requires that shareholders vote on whether or not the Remuneration Report should be adopted.

The Remuneration Report, which is contained in the Directors' Report, sets out the guidelines under which the remuneration of directors and officers is determined.

The directors will invite discussion of the Remuneration Report at the Annual General Meeting.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

This vote is advisory only and the outcome will not be binding on the Board.

Please refer to the above comments concerning proxy voting.

Item No.3

Resolution No. 2

Re-election of Bruce Rowan as a director

Bruce Rowan is retiring as a director of the Company pursuant to the rotational retirement requirements of clause 116 of the Company's Constitution.

Bruce Rowan, who has been a director since 1990, is eligible to be re-elected as a director and is standing for re-election.

The directors (Bruce Rowan abstaining) unanimously recommend that you vote in favour of this resolution.

This Explanatory Memorandum is dated 1st October 2015.

End of Explanatory Memorandum

Shareholders are invited to contact the Company should they have any queries regarding the Annual General Meeting or the proposed resolutions.

They should contact Bruce Burrell on 0402 841 662 or at the contact details given on this letterhead.