

[name/address]

10 February 2016

Dear QV Equities Option Holder,

Since QV Equities' (QVE) listing in August 2014, the manager of the QVE portfolio, Investors Mutual Limited (IML) has sought to patiently invest the money raised in a diversified, carefully-selected portfolio of quality companies outside of the S&P/ASX 20. With a well-established reputation as a selective value investor, IML is focused on buying quality stocks at attractive prices.

Looking ahead, the Board believes that IML's carefully-selected holding of ex-20 stocks, will continue to provide good opportunities for investors seeking long-term capital growth and sustainable income from a well-diversified portfolio of investments.

Today's announcement from QVE of an **interim dividend of 1.5 cents per share fully franked**, serves as a continued signal that the Board remains confident that QVE will continue to deliver reliable, regular dividends over the long term for our investors, even in challenging market conditions.

In addition, the Non-Executive Directors' today confirmed their intention to **exercise all of their QVE options**.

**OPTIONS EXERCISABLE AT \$1.00 EACH ON OR BEFORE 15 MARCH 2016**

We write to you as a registered holder of Options in QV Equities (The Company) (ASX: QVE) as at 10<sup>th</sup> February 2016. These Options were issued to shareholders at the time of the initial listing of the company on the ASX.

The options that you hold can be exercised into ordinary shares by paying \$1.00, with each Option providing the right to purchase a single fully paid ordinary share in the Company.

These options expire at 5pm Australian Eastern Standard Time ("AEST") on **Tuesday 15<sup>th</sup> March 2016**.

**PLEASE NOTE THAT** all options exercised on or before expiry will be eligible for **QV Equities' interim dividend payment of 1.5cents per share, fully franked**, payable on the 4 April 2016.

The 3 courses of action open to you as a holder of QVE options are:

- (i) Exercise all or some of your options. Documentation and cleared funds must be received by the Company no later than **5pm AEST on Tuesday 15<sup>th</sup> March 2016**;
- (ii) Sell your options on the ASX. Quotation of the options will cease on **Tuesday 8<sup>th</sup> March 2016**;
- (iii) Do nothing. If you do not take any action to exercise your options prior to **5pm AEST Tuesday 15<sup>th</sup> March 2016**, the options will expire and your rights to purchase shares at \$1.00 will lapse.

#### TIMETABLE OF EVENTS

<b>Notice to Option Holders:</b>	<b>10 February 2016</b>
<b>Last Day of Trading / Quotation of QVE Options:</b>	<b>8<sup>th</sup> March 2016</b>
<b>Options Expiry Date:</b>	<b>15<sup>th</sup> March 2016</b>

In the event you wish to exercise all or part of your options, please refer to the **Notice of Exercise of Options** form enclosed with this letter for payment and notice lodgment instructions.

The company provides the following information in accordance with the Listing Rules:

1. The total number of outstanding options as at the date of this letter is 165,375,081.
2. Each option entitles the holder to receive, on exercise, one single fully paid ordinary share in the Company. If all Options are exercised, 369,241,801 fully paid ordinary shares will be issued;
3. The exercise price of the options is \$1.00 (one dollar)
4. The due date for payment of the exercise price is on or before **5pm AEST on Tuesday 15<sup>th</sup> March 2016**;
5. If a cleared funds payment is not received by **5pm AEST on Tuesday 15<sup>th</sup> March 2016** your options will expire with no value and no further entitlement will exist;
6. Official quotation of options on the ASX will cease at the close of trading on **Tuesday 8<sup>th</sup> March 2016**;
7. The closing price of fully paid ordinary Company shares on **10<sup>th</sup> February 2016** (ASX:QVE) was \$1.00;
8. The highest and lowest closing prices of the shares in the three (3) months immediately before this notice were:
  - a. Highest – \$1.04
  - b. Lowest – \$1.00
9. There is no underwriting agreement in place for the exercise of the options.

The Directors of QV Equities Limited thank you for your continued support.

Yours faithfully,



Don Stammer,  
Chairman  
QV Equities Limited