

# SUNVEST CORPORATION LIMITED

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Level 9, 25 Bligh Street, Sydney NSW 2000

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## 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 20 November 2014.

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 2014 annual report**

The Company's annual report for the year ended 30 June 2014 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 Burrell as a director**

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

Bruce Burrell, who has been a director since 1996, is eligible to be re-elected as a director and is standing for re-election.

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

**Item No. 4**

**Resolution No. 3**

**Appointment of new Auditor**

The Company's existing auditor, Treston & Co has held office since 2008 and is now required to resign as auditor pursuant to section 324DB of the Corporations Act, which limits the number of years the auditor may continue to hold office.

Therefore, Treston & Co. have tendered their resignation as auditor with the resignation to take effect as from the close of the Annual General Meeting on 20 November 2014.

The directors are required to appoint an auditor pursuant to section 327C of the Corporations Act and have offered the role of auditor to Hall Chadwick, Chartered Accountants, of level 40, 2 Park Street, Sydney. Hall Chadwick have accepted the offer and have lodged their written consent to act with the Company and have not withdrawn that consent to act. That consent to act is subject to the passing of Resolution No.3 and, if passed, will take effect immediately after the close of the Annual General Meeting on 20 November 2014.

**Directors' recommendation**

Directors recommend that shareholders vote in favour of Resolution No. 3.

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.