

SHAREHOLDERS 100%



CVCSI No. 1

CVCSI No. 2

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Entity Name	CVC Sustainable Investments Limited	CVC Sustainable Investments No. 2 Limited
Structure	Unlisted investment company and registered Pooled Development Fund under the Pooled Development Funds Act 1992 (Cth) (the PDF Act). The Federal Government's stated objective for the Pooled Development Fund programme is to develop the market for patient equity capital, including venture capital, for growing small and medium sized enterprises and to provide a more competitive tax regime for such investments.	CVCSI No. 2 is an unlisted investment company.
Investment Criteria	<p>CVCSI No. 1 is required to comply with the investment restrictions and other rules imposed by the PDF Act on the size and type of investments it can make. In summary PDF investments are legally required to be:</p> <ul style="list-style-type: none"> • in Australian firms that will establish a new business, substantially expand production/supply capacity, or expand/develop markets; • in new issued ordinary shares or other kinds of newly issued shares approved by the PDF Board (the PDF Board can approve the purchase of pre-owned shares); • in at least 10 percent of the investee's paid up capital (the PDF Board can approve investments of less than 10 percent in certain circumstances); • loans to investee companies cannot exceed 20% of the PDF's capital base. <p>PDF investments are not permitted to be:</p> <ul style="list-style-type: none"> • in another PDF; • in a retail sale or property development; • in companies whose total assets exceed \$50 million; • more than 30 percent of its capital in any one business, unless approved by the PDF Board. 	<p>CVCSI No. 2 is not subject to the restrictions imposed by the PDF Act. CVCSI No. 2 will target opportunities outside the PDF Act conditions. In particular, CVCSI No. 2 is able to invest in:</p> <ul style="list-style-type: none"> • existing (as opposed to newly issued) shares in companies, including shares traded on ASX or other licensed domestic or foreign exchanges; • offshore companies or follow on investments in Australian companies that have moved offshore; • companies whose total assets exceed \$50 million; • opportunities where the required investment structure is an instrument other than ordinary shares, such as debt or convertible debt instruments; • larger companies where the investment does not exceed 10% of the investee's issued capital. <p>Such investments tend to be in larger, more mature companies.</p>
Taxation Treatment	<p>As a PDF, CVCSI No. 1 and its shareholders are entitled to concessional tax treatment.</p> <p>Taxation treatments for CVCSI No. 1:</p> <ul style="list-style-type: none"> • a concessional tax rate of 15% on dividends and realised capital gains from investee companies; and • a tax rate of 25% is payable on bank and money market interest income. <p>Taxation treatments applied to shareholders in CVCSI No. 1:</p> <ul style="list-style-type: none"> • capital gains are tax-exempt on the disposal of shares in CVCSI No. 1; • Shareholders cannot receive a tax deduction for capital losses on the disposal of shares in CVCSI No. 1; • the unfranked components of dividends paid by CVCSI No. 1 are tax exempt in the hands of Shareholders; and • the franked component of dividends may, at the election of the Shareholder, be treated as either tax-exempt or as taxable dividends with imputation credits attached. <p><i>The tax concessions are described in more detail in Section 8 of this Prospectus.</i></p>	<p>CVCSI No. 2 is taxed as a normal Australian unlisted investment company.</p> <p>CVCSI No. 2 and its shareholders are not entitled to concessional tax treatment. CVCSI No. 2 is subject to the normal rates of taxation for Australian companies. Capital gains from the sale of CVCSI No. 2 shares will be subject to the normal capital gains tax regime and dividends paid to shareholders will be subject to the ordinary dividend and franking rules for tax purposes. Dividends paid will be grossed up to the extent of any available franking credits. Any franking credits and franking offsets will be available to reduce the tax payable.</p>