

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

THE MATTERS RAISED IN THIS DOCUMENT WILL AFFECT YOUR SHAREHOLDING IN THE COMPANY. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY BEFORE THE GENERAL MEETING REFERRED TO BELOW IS CONVENED.

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

**CVC LIMITED**

**ACN 002 700 361**

**Notice of Annual General Meeting**

**and**

**Related Documentation**

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD AT 10:00AM (SYDNEY TIME) ON MONDAY 23 NOVEMBER 2015 IS INCLUDED WITH THESE DOCUMENTS.

TO BE VALID, FORMS OF PROXY FOR USE AT THIS MEETING MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN 10:00AM (SYDNEY TIME) ON SATURDAY 21 NOVEMBER 2015.

Dear Shareholder

## NOTICE OF MEETING

**NOTICE** is hereby given that the Annual General Meeting of CVC Limited will be held in the Lawson and Wentworth Rooms, Level 9 Executive Floor, Chartered Accountants Australia and New Zealand, 33 Erskine Street, Sydney, NSW 2000 on Monday 23 November 2015 at 10:00 am.

### ORDINARY BUSINESS

#### 1. Annual Report

To receive and consider the Financial Report of CVC Limited for the year ended 30 June 2015 and the Reports by directors and Auditors thereon.

#### 2. Remuneration Report

To consider and if thought fit to pass, the following as an ordinary resolution under section 250R of the Corporations Act:

*"To adopt the Remuneration Report of the Company for the year ended 30 June 2015."*

Note the vote on this resolution is advisory only and does not bind the directors of the Company.

#### 3. Re-election of Directors

To consider, and if thought fit to pass, the following as an ordinary resolution:

*"Mr Ian Campbell who retires in accordance with the Company's Constitution, and, being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."*

#### 4. Share Buyback Program

To consider, and if thought fit to pass, the following as an ordinary resolution:

*"To approve the on-market Share Buyback Program for up to 20 million ordinary shares."*

#### 5. CVC Private Equity Limited Restructure

To consider, and if thought fit to pass, the following as an ordinary resolution:

*"That subject to the passing of the CVCPE Resolution (as described in the Explanatory Statement accompanying this Notice of Meeting (the **Explanatory Statement**)), to approve the termination of the management agreement between CVC Private Equity Limited (**CVCPE**) and CVC Managers Pty Ltd and the commencement of a new management agreement between CVCPE and CVC Property Managers Limited (as described in the Explanatory Statement)."*

#### 6. General Business

To transact any other business that may be brought forward in accordance with the Constitution of the Company.

### INFORMATION

Notes to the Notice of Meeting & Explanatory Statement accompany and form part of this Notice of Meeting.

**PROXY FORM**

A Proxy Form accompanies this Notice of Meeting.

**ENQUIRIES**

For enquiries or further information, please contact John Hunter at the Company on (02) 9087 8000.

**By Order of the Board**

John Hunter  
Company Secretary

Sydney this 23 October 2015.

**NB: Unless you have specifically requested to receive a hard copy, the CVC Limited 2015 Annual Report can be viewed at [www.cvc.com.au](http://www.cvc.com.au).**

**CVC LIMITED**

**ACN 002 700 361**

**Notes to Notice of Annual General Meeting  
and  
Explanatory Statement**

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## NOTES TO NOTICE OF MEETING & EXPLANATORY STATEMENT

### VOTING EXCLUSION STATEMENTS

#### Item 2

The Company will disregard any votes cast on Item 2 by, or on behalf of:

- a member of the Company's Key Management Personnel (KMP) named in the Remuneration Report, or that KMP's closely related parties, in any capacity; or
- a person who is a member of the Company's KMP, or that KMP's closely related party.

#### Item 5

The Company will disregard any votes cast on Item 5 by, or on behalf of:

- A Related Party of CVC to whom the resolution would permit a financial benefit to be given; or
- any Associate of such a party.

#### *Note:*

**The Company will not disregard any votes cast on Item 2 and 5** if the vote is cast by:

- The person as proxy for a person who is entitled to vote on the resolution proposed under the relevant item, in accordance with the directions on the proxy form; or
- The Chairman of the Meeting as proxy for a person who is entitled to vote on the resolution proposed under the relevant item, in accordance with a proper direction on the proxy form to vote as the proxy decides.

### NOTES RELATING TO VOTING

#### Persons entitled to vote

The directors have determined that the shareholding of each Shareholder for the purposes of ascertaining voting entitlements for the Meeting will be as it appears in the share register of Shareholders at 10:00am (Sydney time) on 21 November 2015.

#### Voting

The voting on the proposed resolutions will be by a show of hands, unless a poll is required under the Corporations Act or the Listing Rules or if one is demanded. At the Meeting:

- On a show of hands – each Shareholder present in person and each other person present as a proxy, attorney or representative of a Shareholder has one vote; and
- On a poll – each Shareholder present in person has one vote for each Share held by the Shareholder; and each person present as proxy, attorney or representative of a Shareholder has the number of votes attached to the Shares held by the Shareholder that the person is appointed to represent.

If a Share is held jointly and more than one Shareholder votes in respect of that Share, only one vote of the Shareholder whose name appears first in the register of the Shareholders counts.

#### How to vote

If eligible, you may vote by attending the Meeting, by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.

#### Voting in person

To vote in person, attend the Meeting at the time and place set out in this Notice of Meeting.

#### Voting by proxy

If you cannot attend the Meeting, you may appoint a proxy to attend and vote for you. To vote by proxy, please complete, sign and return the enclosed proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.

### **Proxies**

A member who is entitled to cast two or more votes at the Meeting, may nominate one or two proxies to vote on your behalf at the Meeting. Where the member appoints 2 proxies, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes will be disregarded. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes.

A proxy need not be a Shareholder of the Company, and may be an individual or a body corporate. If the proxy is a body corporate, the body corporate may in turn appoint an individual to exercise the body corporate's powers. A proxy may be appointed by reference to an office held by the proxy (e.g. "the Company Secretary" or "Chairman of the Meeting").

If the Chairman of the Meeting or another member of the Company's Key Management Personnel is appointed as a proxy, the Shareholder can direct the proxy to vote for or against, or to abstain from voting on, each of the items of business by marking relevant boxes on the proxy form.

If a Shareholder returns a proxy form but does not nominate a representative, the Chairman of the Meeting will be that Shareholder's proxy and will vote on that Shareholder's behalf as expressly directed or authorised on the proxy form. If the Shareholder's nominated representative does not attend the Meeting, then that Shareholder's proxy will revert to the Chairman of the Meeting who will vote on each resolution in the same manner that the Shareholder has directed or authorised (on that Shareholder's proxy form) its nominated representative to vote.

### **Undirected proxies**

The Chairman of the Meeting intends to vote undirected proxies in favour of all resolutions referred to in the Notice of Meeting.

As also noted on the proxy form for the Meeting, where the Chairman is appointed as a proxy and none of the "For", "Against" or "Abstain" boxes are marked, the appointing Shareholder will be deemed to direct the Chairman to vote in favour of those resolutions.

If any other member of the Key Management Personnel named in the Remuneration Report or their Closely Related Parties is appointed as a proxy and the Shareholder does not expressly direct the proxy to vote on the resolution on Item 2, the votes cast by the proxy will be disregarded.

If a person who is not a member of the Key Management Personnel named in the Remuneration Report or their Closely Related Party, is appointed as a proxy and the Shareholder does not direct the proxy how to vote as proxy in respect of any resolution, that proxy may vote as he/she sees fit on each resolution.

### **Proxy forms**

To ensure that all Shareholders can exercise their right to vote on the proposed resolutions, a proxy form is attached to this Notice of Meeting.

To be valid, the proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the Corporations Act and the constitution of that corporation.

The proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the Meeting or any adjourned Meeting (or such lesser period as the directors may permit) at the Company's registered office at Level 6 Gold Fields House, 1 Alfred Street, Sydney, New South Wales 2000; or the following fax number: (02) 9087 8088.

### **Voting by attorney**

A Shareholder may appoint an attorney to act on the Shareholder's behalf at the Meeting. The power of attorney or such other evidence of the attorney's appointment and authority to the satisfaction of the directors must be received by the Company at least 48 hours before the time for holding of the Meeting or any adjourned Meeting.

### **Corporations**

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D and 253B of the Corporations Act. The representative must bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been provided to the Company.

## EXPLANATORY STATEMENT TO ORDINARY BUSINESS

### Item 1 - Financial Report

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In accordance with section 317 of the Corporations Act and the Constitution the Financial Report, Directors' Report and Auditor's Report of the Company and of the Consolidated Entities for the year ended 30 June 2015 are to be laid before the Meeting. These reports are contained in the Annual Report, which is available on the Company's website at <http://www.cvc.com.au/investor-information/cvc-limited/annual-reports/>.

There is no formal resolution to be put to the Meeting but Shareholders will be given the opportunity to make comments and ask questions of the Board in respect of the reports.

Shareholders are also able to ask the Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of its financial statements and the independence of the Auditor in relation to the audit for the financial year ended 30 June 2015.

Shareholders may also submit questions in writing before the Meeting. The list of any such questions will be presented at the meeting for discussion and responses. Relevant written questions for the Auditor must be submitted to the Company, to be received no later than 18 November 2015.

### Item 2 - Remuneration Report

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As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption.

The resolution is advisory only and is not binding upon the Company or the Board but the Chairman of the Meeting must provide reasonable opportunity at the Meeting for Shareholders to ask questions about and comment on the Remuneration Report. However, if more than 25% of the votes are cast against two consecutive annual resolutions of this nature, a Shareholder vote is required on whether to convene a special meeting at which all the directors (other than the managing director) who were in office when the Board resolved to put the Remuneration Report to the Meeting must stand for re-election.

The Remuneration Report commences on page 12 of the Annual Report.

**Board recommendation:** *The directors unanimously recommend that Shareholders vote in favour of Item 2.*

### Item 3 - Re-election of directors

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#### **Background**

Under rule 12.5(b) of the Constitution, where additional directors (other than the managing director) have been appointed by the Board, they hold office only until the next following Annual General Meeting following their appointment.

#### **3.1 Re-election of director – Mr Ian Campbell**

Mr Ian Campbell who retires in accordance with rule 12.5(b) of the Company's Constitution, and, being eligible, offers himself for re-election. Information about Mr Ian Campbell can be found in the Directors' Report section of the Annual Report.

**Board recommendation:** *The directors (other than Mr Ian Campbell) endorse the re-election of Mr Campbell under item 3.1.*

### Item 4 - Share Buyback Program

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#### **Background**

The Corporations Act authorises a listed company to buyback its own shares on market if the buyback does not materially prejudice the company's ability to pay its creditors and it follows the procedures required in the Act.

Shareholder approval is required if all of the shares bought back in the last 12 months, and the shares that will be bought back if the proposed buyback is made, is in aggregate more than 10% of the minimum number of shares on issue at any time during the last 12 months. The limit after which a company requires Shareholder approval for a buyback is called the **10/12 limit**.

At the date of this Notice of Meeting, the Company is able to acquire 11,953,279 Shares without Shareholder approval. The Company wishes to buy back on market more shares than permitted under the 10/12 limit, and accordingly seeks Shareholder approval for the on-market buy-back of a total of up to 20 million Shares (8,046,721 Shares more than the Company would be permitted to buy back without Shareholder approval).

### ***Reasons for the Share Buyback Program***

The Share Buyback Program offers an opportunity:

- to return capital to Shareholders, as would be contemplated by a closed end fund; and
- to better match recurrent earnings with capital employed.

It is also an efficient use of capital whilst Shares trade at a significant discount to inherent net asset value of the Company. The discount of the 10 day volume weighted average price (**VWAP**) of the Shares for the period expiring on 30 September 2015 to the Company's reported net asset value (as at 30 June 2015) was only approximately 3% but this figure excludes the significant currently unrecognised uplifts in the value of certain key property investments as explained in the Company's 4E report lodged with the ASX on 28 August 2015.

### ***Details of buyback***

The key details of the proposed Share Buyback Program are as follows:

- **Price range** – The Company will in its discretion offer to buy back shares on market at a price determined by the Company subject to the Listing Rules. The Listing Rules impose a moving cap on the price the Company may pay for the Shares of 5% above the average market price per Share for the 5 days on which trades were recorded before the day on which the purchase under the buyback was made.
- **Maximum number of shares** – The maximum number of Shares to be bought back is 20 million Shares. The maximum number of Shares to be bought back represents approximately 16.7% of the total issued share capital of 119,532,788 Shares at the date of this Notice of Meeting.

### ***Advantages of buyback***

The key advantages of the buyback are as follows:

1. Provide liquidity to the Shares. There is a limited market for the Shares on the ASX. The buyback gives Shareholders an increased ability to exit their investment in the Company;
2. an efficient use of surplus capital in a market where finding suitable investments is proving difficult; and
3. increased price competition for the Shares.

### ***Disadvantage of buyback***

The key disadvantage of the buyback is that it reduces the cash balances of the Company. If the maximum number of Shares is bought back by the Company the cash balance would be reduced by approximately \$30 million (using the 30 September 2015 closing share price of \$1.50 as an indicative only average price at which Shares are able to be bought back). The cash balances of CVC Limited and the CVC Limited consolidated group as at 30 June 2015 were \$41,357,894 and \$54,456,733 respectively. These cash balances do not reflect investments made and realised subsequent to 30 June 2015.

### ***Buyback funding***

The Share Buyback Program will be funded from cash reserves. The directors do not believe that the buyback will materially prejudice CVC Limited's ability to pay its creditors.

### ***Effect on capital structure of the Company***

The directors do not anticipate that the buyback will have any material change in the ownership spread of Shares or result in any party gaining control of the Company.

### ***Consequence if approval not given***

If the approval is not given, CVC Limited intends to buyback on market the maximum number of Shares permitted under the 10/12 limit without Shareholder approval.

**Board recommendation:** *The directors unanimously recommend that Shareholders vote in favour of item 4.*

## Item 5 - CVC Private Equity Limited Restructure

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### **CVCPE Meeting**

On 23 November 2015, the same day as the Company's annual general meeting, CVC Private Equity Limited (**CVCPE**) will have an annual general meeting at which, amongst others, the following resolution (**CVCPE Resolution**) will be put to its shareholders (**CVCPE Meeting**):

#### **Resolution 2 – Change of managers**

*To consider, if thought fit, to pass the following as an ordinary resolution:*

*“That, for the purposes of Part 2E.1 of the Corporations Act 2001 (Cth) (Corporations Act) and for all other purposes, shareholders approve the Company's [CVCPE] current management agreement with CVC Managers Pty Ltd being replaced by a new management agreement with CVC Property Managers Limited on the terms and conditions described in the explanatory statement accompanying the Notice of Meeting (Explanatory Statement).”*

The resolution set out in Item 5 will not be effective unless this CVCPE Resolution is passed.

### **Background to CVCPE Restructure**

CVCPE, previously CVC Biz-Vision Limited, has been operating since 2000, as a managed smaller private equity style investor. As part of a restructure of the CVC group, CVC Managers Pty Ltd ACN 108 360 372 (**CVC Managers**), a wholly owned subsidiary of CVC Limited, took over management responsibility of CVCPE from 2004.

### **Structural issues with CVCPE**

CVCPE is an unlisted public company and its shares have been very illiquid, with the only significant liquidity options being periodic share buybacks or offers by CVC. Both of these initiatives have increased CVC ownership in CVCPE. CVC currently owns approximately 63% of CVCPE shares.

Whilst the recent performance of CVCPE has been strong, this performance substantially reflects growth in the value of existing investments, with minimal new attractive private equity style investments being identified or made. As a result, as prior investments have been realised over time, CVCPE's private equity portfolio has continued to decline in size, and its assets have come to be more represented in cash and listed investments. As at the date of this Notice of Meeting, the only remaining significant illiquid investment held by CVCPE are shares in Green's Foods Holdings Pty Limited (**Green's**, or **Green's Foods**).

The Board understands that CVCPE and CVC Managers do not foresee any change to the investment environment for private equity in the near future, with deals presented to it generally being too large, too early stage and/or too intangible based for it to responsibly execute. In these circumstances, CVCPE and CVC Managers have considered whether to seek to wind up CVCPE as an alternative and return capital to shareholders, or change investment profile.

### **Proposed CVCPE restructure**

At the same time that CVC Managers has struggled to source suitable private equity investments for CVCPE, CVC Property Managers ACN 066 092 028 (**CVCPM**), (as distinct from CVC Managers), has developed expertise in, and access to a pipeline of, property focussed investments, and in particular property mezzanine and joint venture funding opportunities. In these circumstances CVC and CVCPE have identified an opportunity to restructure the group and expedite the reinvention of CVCPE as a property funder/ investor.

CVC sees the benefits of such a proposal for CVC as including:

- CVCPE has not achieved sufficient scale to be effective and CVC ownership is too high. The CVCPE restructure gives CVC a chance to grow funds under management and fees, and dilute its ownership in CVCPE over the longer term;
- CVC's property mezzanine investments have continued to grow and CVC has more opportunities in this area than they can prudently pursue. The restructure may enable CVCPE to secure investments that CVC would otherwise decline, for instance owing to their investment portfolio being too concentrated. It will enable CVC to continue to have an indirect interest in the property investments through its ownership of CVCPE shares (although this ownership level may decline over time) and earn investment and management returns through its ownership of CVCPM, the proposed manager of CVCPE following the restructure.

- CVCPE being a public company with an appropriate corporate structure, a history of audited financial reports, and a spread of investors, is considered to offer a more prospective corporate vehicle to achieve market acceptance for a CVC managed property mezzanine investment strategy;
- CVC owns 100% of CVCPM, which holds an appropriate Australian Financial Service Licence (**AFSL**) but no current management mandates;
- CVC sees a need to ensure its key property management team is appropriately incentivised to mitigate the risk that valuable employees may leave. CVC sees the reinvention of CVCPE, in conjunction with potentially issuing equity or quasi-equity interests in CVCPM to key property management members in the future as an excellent structure to provide appropriate and effective incentives to its staff.

The main obstacles to such a reinvention of CVCPE are:

- realising CVCPE's existing investments, in particular liquidating CVCPE's illiquid investment in Green's so as to give new and continuing investors in CVCPE a clean foundation for the way forward and avoid any cross-contamination between the old and new investment strategies;
- changing the CVCPE manager and adopting a new management agreement to be appropriate for the new investment strategy; and
- thereafter sourcing new attractive investment opportunities and sufficient new investment capital to fund them.

CVC is proposing to resolve the second obstacle above by changing the CVCPE manager, and adopting a new management agreement which is appropriate for the change in investment strategy - for which the resolution in Item 5 seeks approval.

A similar resolution is also being proposed at the CVCPE AGM and no action will be taken on these proposals unless both CVC and CVCPE approve their respective resolutions.

In conjunction with, conditional on, and in recognition of the change of investment strategy, CVCPE is also proposing to offer a capital return/redemption type equal access buy back to its shareholders.

#### ***The interests of the Directors in the outcome of the resolution relating to the CVCPE Restructure***

Alexander Beard, a Director, holds the following interests in relation to the proposed CVCPE restructure:

- *offices*: in addition to the Company, is a director of CVCPE, CVC Managers and CVCPM;
- *key management personnel*: in addition to the Company, is a key manager of CVC Managers and CVCPM;
- *shareholding in the Company*: directly holds 694,136 Shares and indirectly holds 687,000 Shares through Mrs Pascale Beard and Alexander Beard & Pascale Beard as trustees for the AD & MP Superannuation Fund, which when combined represents 1.16% of the total outstanding Shares;
- *shareholding in CVCPE*: directly holds 247,946 shares in CVCPE, indirectly holds 1,200,000 CVCPE Options through Alexander Beard & Pascale Beard as trustees for the AD & MP Superannuation Fund, which when combined and on an 'as exercised' basis represents 6.85% of the fully diluted total outstanding CVCPE shares.

John Read, a Director, holds the following interests in relation to the proposed CVCPE restructure:

- *offices*: in addition to the Company, is a director of CVCPE and CVC Managers;
- *shareholding in the Company*: indirectly holds 528,956 Shares through Cannington Corporation Pty Ltd atf Cannington Super Fund and Alexander Gordon Read, which represents 0.44% of the total outstanding Shares.
- *shareholding in CVCPE*: Nil.

Due to the fact that Messrs Read and Beard are also directors of CVCPE, there was not an available quorum of directors on the board of CVC to make decisions about change in the management agreements. Accordingly, Ian Campbell has resolved to enable the decisions regarding the management agreements to be made by shareholders and not the Board.

The current management agreement between CVCPE and CVC Managers (**Existing Management Agreement**) is not considered to be reflective of current market practice for the types of property investments to be sought in future should the change in investment philosophy of CVCPE be approved.

A new manager and management agreement are proposed. The new management agreement (the **New Management Agreement**) is proposed between CVCPE and CVCPM. The New Management Agreement has been designed to be on current market terms appropriate for the future intended investment activities of CVCPE. CVC currently owns 100% of both CVC Managers and CVCPM but CVCPM is a dedicated property manager and its separation from CVC Managers' other management roles is designed to enable CVC to cause the issue of relevant equity or quasi-equity interests in CVCPM or related incentives to key property personnel in the future.

The following table provides a comparison of the key terms of the Existing Management Agreement and the New Management Agreement. All fee amounts exclude GST. [Full copies of the Existing Management Agreement and the New Management Agreement are available from the Company].

<b>Matter</b>	<b>Existing Management Agreement</b>	<b>New Management Agreement</b>
Manager	CVC Managers Pty Ltd AFSL 277740	CVC Property Managers Limited AFSL 229809
Key Management Personnel	Elliott Kaplan Alexander Beard	Mark Avery John Hunter Alexander Beard
Base Fee	2.5% per annum of net assets (or initial paid up capital if higher) of CVCPE.	0.75% per annum of net assets plus 1% of invested capital. Subject to a minimum of \$15,000 per month.
Base Fee Payment	Payable quarterly in arrears based on the amount determined at the end of the previous financial year.	Payable monthly in arrears based on the amount determined at the end of the previous month.
Performance Fees	20% performance fee of the excess where CVCPE disposes of an investment and achieves a net gain higher than the CPI [underlying CPI is targeted by the RBA to be in the range 2-3% per annum] during the period of the investment plus 2% per annum.	20% Performance Fee after Investors have received a preferred 9% return.  Investor Return will be determined on the movement in net assets per share (or share prices if CVCPE is listed) and distributions/ capital returns for the period.
Loss Recoveries on Performance Fees	If there is a loss on disposal, then 20% of the loss will be carried forward and deducted from future performance fees payable to the Manager.	Performance Fees calculated cumulatively since later of: <ul style="list-style-type: none"> <li>- 1 January 2016</li> <li>- End of the last period for which a performance fee was paid</li> <li>- 3 Years before end of the period.</li> </ul>
Expense Recoveries	Manager is entitled to recover certain expenses in relation to CVCPE and its investment activities.	No material change. Manager remains entitled to recover certain expenses in relation to CVCPE and its revised investment activities. Such expenses include for: <ul style="list-style-type: none"> <li>- acquisitions and disposals of investments;</li> <li>- audits and valuations</li> <li>- capital raising and marketing</li> <li>- Director fees</li> </ul>

Matter	Existing Management Agreement	New Management Agreement
		<ul style="list-style-type: none"> <li>- fees levied by ASX and ASIC</li> <li>- financial institution fees and costs of finance</li> <li>- insurances;</li> <li>- litigation</li> <li>- share registry fees</li> <li>- taxes and duties</li> </ul>
Termination other than for cause by Members	Agreement may be terminated by CVCPE by means of a resolution, passed in a duly convened extraordinary general meeting of CVCPE, which is assented to by the holders of not less than seventy five (75) percent of the issued capital of CVCPE.	Agreement may be terminated by CVCPE by means of a special resolution at a duly convened meeting of the shareholders of CVCPE and such resolution is passed by 75% of the eligible votes cast.
Termination other than for cause by the Company Payments	CVCPE must pay the Manager the lesser of: <ul style="list-style-type: none"> <li>- 8 times the management fee payable in the previous quarter.</li> <li>- the total of:               <ul style="list-style-type: none"> <li>o amounts due and payable to the Manager at the date of termination; and</li> <li>o the cost of cancellation of agreements entered into by Manager to perform its duties; and</li> <li>o Profit that the Manager would have earned until completion of a 10 year term.</li> </ul> </li> </ul>	CVCPE must pay the Manager the sum of: <ul style="list-style-type: none"> <li>- 12x the base fees for the previous month</li> <li>- A performance fee for the period from the start of the current financial year to the date of termination</li> <li>- Any outstanding expense recoveries</li> </ul>

**Other information in respect of the Existing Management Agreement**

Notwithstanding the base management fees stated above, CVC Managers has been charging lower management fees of \$181,818 per annum (being \$200,000 GST Inclusive). Per the CVCPE 2015 Annual Report this is explained as follows:

*“The Company [CVCPE] pays management fees to its investment manager calculated at 2.5% of the higher of the net assets of the Company [CVCPE] or capital raised by the Company [CVCPE] at the end of the previous financial year. Effective 31 December 2010 the investment manager agreed to reduce the annual management fees to a pro-rata \$200,000 per annum. During the year management fees of \$181,818 (2014: \$181,818) were paid to CVC Managers Pty Limited.”*

This reduction is discretionary and could be reversed at any time by CVC Managers. CVC and CVC Managers agreed to the reduction in part in recognition that the contracted fees were high in the context of the net assets of CVCPE at the time and consequently would significantly impinge on the ability of CVCPE, and therefore CVC Managers as manager, to generate and demonstrate a solid track record of investment performance going forward. It also reflected CVC’s substantial shareholding in CVCPE which meant that charging higher fees would retard the reported investment performance of CVCPE and investment management of CVC Managers for minimal financial benefit when the majority of those higher fees would be ultimately borne by CVC itself anyway. CVC sees that changing the investment philosophy and manager of CVCPE, whilst reducing the contracted fee entitlements of its subsidiaries in the short term, should assist in growing absolute management fee revenue and reputation over the longer term.

CVCPE has not paid performance fees since inception. Its first investment realisations were made at losses that needed to be 'earned back' through subsequent investment realisations before performance fees would accrue to CVC Managers. With the recent profitable growth and realisation of investments this deficit is now being diminished. In fact, in isolation, a liability for performance fees could be expected to accrue if, for example, the Company's investment in Green's was sold at current fair value. However, earning performance fees under the Existing Management Agreement and investment philosophy is limited by the current structural issues of CVCPE. The Board is of the view that the change in CVCPE investment strategy and management agreements, in concert with a medium-term anticipation of growing funds under management, is expected to give CVC, through its ownership of CVCPM, more potential to earn performance fees than under the Existing Management Agreement, despite the higher performance fee thresholds under the New Management Agreement.

It is not proposed that a termination fee will be paid to CVC Managers on termination.

### ***New Manager***

CVCPM has an AFSL (Licence No. 229809). It is 100% owned by CVC. Its directors are Alexander Beard, Mark Avery and John Hunter. It was previously the manager of the formerly ASX listed CVC Property Fund (ASX Code: CJT) (**the Fund**) until the Fund was sold and was subsequently delisted from ASX on 22 April 2015. It was also the responsible entity for the Fund prior to the Fund's delisting.

CVCPM's main objective is to provide investment management services to property investment entities and grow funds under management. CVCPM intends to operate managed investment entities in direct real property and financial assets. CVCPM also intends to provide financial product advice and deal in financial products on behalf of potential retail and wholesale clients.

CVCPM continues to seek investment opportunities and will assist property investment companies in raising funds for investments purposes. It has the financial and resource support of its parent company CVC Limited to pursue these objectives.

### ***Implications of Providing Consent for Change of Manager and Management Agreement***

Subject to the passing of the CVCPE Resolution, the principal implication of the proposal is that the rights and responsibilities of CVC Managers under the Existing Management Agreement will be extinguished and the rights and responsibilities of CVCPM under the New Management Agreement will replace them.

### ***Implications if Item 5 is not Approved***

If the Shareholders do not approve Item 5, or the shareholders of CVCPE do not approve the CVCPE Resolution, there will be no change to the current arrangements. CVC Managers will continue to manage CVCPE's investments under the Existing Management Agreement and in accordance with the current investment philosophy.

Should this occur, the Board and the board of CVCPE will need to consider alternative strategies to address the structural issues with CVCPE referred to above on page 9.

### ***Benefits to Related Parties***

Each Director is a Related Party of the Company. If Item 5 is passed, no Director will receive a financial benefit as a result of the change in management agreements.

- in relation to the fees payable by CVCPE to CVCPM under the New Management Agreement, Messrs Beard and Read will benefit indirectly as Shareholders, on the same basis as all other Shareholders;
- in relation to the waiver of termination fees and costs payable by CVCPE to CVC Managers under the Existing Management Agreement, Mr Beard will benefit indirectly as a shareholder of CVCPE, on the same basis as all other CVCPE shareholders.

***Board recommendation:***

**Ian Campbell recommends that Shareholders vote in favour of this resolution. The other directors, Alexander Beard and John Read for the reasons given above including being directors of CVCPE, make no recommendation.**

## Glossary

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<b>Term</b>	<b>Meaning</b>
<b>Annual Report</b>	The annual report of CVC Limited that includes the financial report, the Directors' report and the independent audit report for the year ended 30 June 2015
<b>Associate</b>	Has the meaning given in sections 12 and 15 of the Corporations Act
<b>ASX</b>	ASX Limited
<b>Auditor</b>	The auditor of CVC Limited from time to time, currently HLB Mann Judd (NSW Partnership)
<b>Board</b>	Board of directors of CVC Limited
<b>Closely Related Party</b>	Has the meaning given in the Corporations Act
<b>Company or CVC</b>	CVC Limited
<b>Constitution</b>	The constitution of CVC Limited from time to time
<b>Corporations Act</b>	The Corporations Act 2001 (Cth)
<b>CVC Limited</b>	CVC Limited ACN 002 700 361 and, where appropriate, its controlled entities
<b>CVC Managers</b>	CVC Managers Pty Ltd ACN 108 360 372
<b>CVCPE</b>	CVC Private Equity Limited ACN 059 092 198
<b>CVCPM</b>	CVC Property Managers Limited 066 092 028
<b>CVCPE Meeting</b>	A shareholders meeting to be held by CVCPE on or about the same day as the Meeting.
<b>CVCPE Options</b>	Options issued by CVCPE to acquire shares in CVCPE
<b>CVCPE Resolution</b>	The resolutions to be put to the CVCPE Meeting authorising CVCPE to effect the action referred to in Item 5
<b>Key Management Personnel</b>	Has the meaning given in the Corporations Act
<b>Listing Rules</b>	Listing Rules of ASX
<b>Meeting</b>	The 2015 annual general meeting of shareholders to be held on 23 November 2015
<b>Notice of Meeting</b>	This Notice of Meeting and any notice of any adjournment of the Meeting
<b>Related Party</b>	Has the meaning given in section 228 of the Corporations Act
<b>Remuneration Report</b>	The remuneration report included in the Annual Report
<b>Restructure Resolution</b>	Item 5
<b>Share</b>	A fully paid ordinary share in CVC Limited
<b>Share Buyback Program</b>	The proposed on-market share buyback program to be conducted by CVC, more fully described on pages 7 - 8.
<b>Shareholder</b>	A registered holder of a Share

# CVC LIMITED

ACN 125 736 914

Registered Office: Level 6, Gold Fields House, 1 Alfred Street Sydney NSW 2000, Australia  
Phone: (02) 9087 8000 Fax: (02) 9087 8088

## PROXY FORM

I, .....

(FULL NAME, BLOCK LETTERS)

of .....

being a member of CVC Limited.

### SECTION A

HEREBY APPOINT .....

of .....

or, failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday 23 November 2015 at 10.00am (Sydney time), or at any adjournment thereof. The proxy so appointed shall represent all my/our voting rights except those (if any) specified in B below.

### SECTION B (DO NOT COMPLETE THIS SECTION UNLESS YOU WISH TO APPOINT TWO PROXIES)

AND I FURTHER APPOINT .....

of .....

as my proxy to vote for me/us and on my/our behalf at the said meeting or at any adjournment thereof. The proxy, appointed by this Section B, shall represent my/our voting rights in respect of ..... shares.

**Chairman authorised to exercise undirected proxies on remuneration related resolution:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 2 (except where I/we have indicated a different voting intention below) even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 2 (Remuneration Report) by marking the appropriate box below.

I/ we instruct my/our proxy to vote as indicated below in respect of the resolutions:

	A			B		
	For	Against	Abstain	For	Against	Abstain
Item 2 – Remuneration Report						
Item 3 – Re-election of Ian Campbell						
Item 4 – Share Buyback Program						
Item 5 –CVC Private Equity Restructure						

Unless directed otherwise, the Chairman of the Meeting intends to vote all available proxies in favour of each resolution.

Signed this.....day of .....2015.

### Signature of Securityholders(s)

Individual or Securityholder 1  
Sole Director/Company Secretary

Securityholder 2  
Director

Securityholder 3  
Director/Company Secretary