

NOTICE OF MEETING 2017



THERE'S MORE TO COME AT **Metlifecare** 

NOTICE OF MEETING

The Annual Meeting of Shareholders of Metlifecare Limited (the Company) will be held at Top of the Park, Level 5, Alexandra Park Function Centre, Green Lane West Road, Epsom, Auckland, New Zealand on Tuesday 24 October 2017, commencing at 2.30pm (New Zealand time).

AGENDA:

A. Presentations

Chair's Report, Chief Executive Officer's Report and Shareholder Questions

To hear reports from the Chair and the Chief Executive Officer and to present an opportunity for shareholders to ask questions about the Company.

B. Resolutions

Shareholders will be asked to consider, and if appropriate, pass the following resolutions:

1. TO RE-ELECT RETIRING DIRECTOR, KIM ELLIS

Kim Ellis retires from office at the Annual Meeting and, being eligible, offers himself for re-election.

2. TO RE-ELECT RETIRING DIRECTOR, ALISTAIR RYAN

Alistair Ryan retires from office at the Annual Meeting and, being eligible, offers himself for re-election.

3. TO ELECT DIRECTOR, MARK BINNS

In accordance with the Company's constitution, Mark Binns, having been appointed during the year by the Board, holds office under the constitution only until the Annual Meeting and, being eligible, offers himself for election.

4. TO ELECT DIRECTOR, ROD SNODGRASS

In accordance with the Company's constitution, Rod Snodgrass, having been appointed during the year by the Board, holds office under the constitution only until the Annual Meeting and, being eligible, offers himself for election.

5. TO AUTHORISE DIRECTORS' REMUNERATION

To authorise an increase in the maximum aggregate remuneration payable to all non-executive directors of the Company from \$690,000 plus GST (if any) per annum to \$723,000 plus GST (if any) per annum.

Voting exclusions on this resolution are set out under the heading "Voting Restrictions" on page 10.

6. TO AUTHORISE THE DIRECTORS TO FIX THE FEES AND EXPENSES OF THE AUDITOR OF THE COMPANY

Explanatory Notes

Explanatory Notes on resolutions 1 to 6 accompany this Notice of Meeting.

Attendance

All shareholders whose names are registered in the share register at 9.00am on 24 October 2017 are entitled to attend and vote at the Annual Meeting. Alternatively, shareholders may choose to vote online or to appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on their behalf. Shareholders attending the Annual Meeting should bring the combined attendance card, proxy form and voting paper with them for the purpose of registration and voting.

Ordinary Resolution

Each resolution set out above is to be considered as a separate ordinary resolution. To be passed, each resolution requires a simple majority of votes of holders of ordinary shares of the Company, entitled to vote and voting.

Voting by Proxy

A proxy form is enclosed. This contains instructions on the appointment of proxies and online voting. If you are not planning to attend the Annual Meeting, please appoint your proxy online or by completing and lodging the enclosed proxy form. If you wish to appoint a proxy, this must be lodged (in the manner and following the instructions specified on the form), not less than 48 hours before the meeting (before 2.30pm on Sunday 22 October 2017).

If you wish to vote by appointing a proxy to vote on your behalf, you may direct your proxy to vote for or against a resolution, to abstain from voting, or to exercise their discretion as to how to vote. A proxy need not be a shareholder of the Company. The appointment of a proxy or representative does not preclude a shareholder from attending and voting at the Annual Meeting. The Chair of the meeting, or any other director, is willing to act as proxy for any shareholder who wishes to appoint him (or her) for that purpose. If, in appointing a proxy, you inadvertently do not name someone to be your proxy (either online or on the enclosed proxy form), or your named proxy does not attend the meeting, the Chair of the meeting will be your proxy and will vote in accordance with your express direction.

The Board of the Company has authorised Computershare Investor Services Limited to receive and count the votes cast online.

Yours faithfully



Andrew Peskett

Company Secretary

19 September 2017

LETTER FROM CHAIR

Dear Shareholder

I invite you to the 2017 Annual Meeting of Metlifecare Limited's shareholders on Tuesday 24 October 2017.

Metlifecare's Chief Executive Officer, Glen Sowry, and I will address the meeting and provide a summary of the Company's performance for the year to 30 June 2017. This was an excellent year including gaining pace on our development delivery, significant asset value growth and high realised gains. Occupancy remained high in our villages and care homes. A copy of these addresses will be available for viewing on the NZX, ASX and the Company's website on 24 October 2017.

Shareholders will then be invited to ask questions before we move to the resolutions set out in the agenda. Agenda items for this Annual Meeting relate to the re-election of two directors, Alistair Ryan and myself, the election of Mark Binns and Rod Snodgrass, a director fee pool increase and authorisation for directors to fix the fees and expenses of the Company's auditor.

The four director elections are unanimously endorsed by the Board. Short profiles for all four directors up for election are included in the Explanatory Notes which form part of the Notice of Meeting.

Your Board recommends that shareholders vote in favour of all resolutions. Voting will be by way of poll. The results of voting will be posted on the NZX, ASX and the Company's website following the meeting.

We look forward to discussing our results with you and answering any of your questions on 24 October 2017.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Kim Ellis', written over a light blue horizontal line.

Kim Ellis
Chair





EXPLANATORY NOTES

Agenda Item 1

Re-election of Kim Ellis

Kim Ellis joined the Board as an independent director in August 2014, commencing as Chair of the Board in September 2014. In accordance with NZX Main Board Listing Rule 3.3.11, Kim retires by rotation at the Annual Meeting and, being eligible, offers himself for re-election.

Kim is the Chair of the Board and Nominations & Corporate Governance Committee and is a member of the Audit and Risk, Development and Remuneration Committees.

Kim is a highly experienced director and CEO. He was the Chief Executive Officer of Waste Management NZ Limited for 13 years, during which time he and the company won several prestigious management awards. Prior to that he held CEO positions since 1978. He is currently the Chair of NZ Social Infrastructure Fund. Kim's other directorships include Freightways, Port of Tauranga, Fonterra Shareholders' Fund and Ballance.

The Board considers Kim Ellis to be an independent director and unanimously recommends that shareholders vote in favour of his re-election.

Agenda Item 2

Re-election of Alistair Ryan

Alistair Ryan joined the Board as an independent director in August 2012. In accordance with NZX Main Board Listing Rule 3.3.11, Alistair retires by rotation at the Annual Meeting and, being eligible, offers himself for re-election.

Alistair is the Chair of the Audit and Risk Committee and is a member of the Nominations & Corporate Governance Committee. He was a member of the Remuneration and Development Committees in the year to 30 June 2017.

Alistair has extensive corporate and financial experience in the listed company sector in New Zealand and Australia, and was a former Chief Financial Officer and a member of the senior executive team at SkyCity Entertainment Group for over 16 years. Prior to SkyCity, Alistair was a Corporate Services Partner with the international accounting firm Ernst & Young, based in Auckland. He is currently a director of Kiwibank, Kingfish, Barramundi, Marlin Global, Evolve Education Group, Lewis Road Creamery and Christchurch Casinos, and a Member of the New Zealand Racing Board and Chair of its Audit & Finance Committee. He is also a Member of the Audit Oversight Committee.

The Board considers Alistair Ryan to be an independent director and unanimously recommends that shareholders vote in favour of his re-election.

Agenda Item 3

Election of Mark Binns

Mark Binns joined the Board as an independent director on 1 August 2017. In accordance with the Company's constitution, Mark, having been appointed during the year by the Board, holds office under the constitution only until the Annual Meeting and, being eligible, offers himself for election.

Mark is a member of the Remuneration and Nominations & Corporate Governance Committees and joins the Development Committee on 1 October 2017.

Mark has substantial experience in utilities, construction, property development and asset management. He joined Meridian Energy as Chief Executive in January 2012 and has led the company through the largest Initial Public Offering in New Zealand's history. During Mark's tenure, Meridian reviewed and adjusted its strategy, executed a partial listing on the ASX and NZX and focused on the continuous improvement of its core business.

Mark worked at Fletcher Building and Fletcher Challenge for 22 years, where he rose to the position of Chief Executive of the Infrastructure Division of Fletcher Building, the largest and most profitable division. During his time at Fletchers, he was responsible for operations in New Zealand, Australia, South East Asia, India, South America, the United States and the South Pacific. Mark was responsible for the construction activities of the Group and was heavily involved in the negotiation and execution of a number of large infrastructure projects including SKYCITY, Museum of New Zealand Te Papa Tongarewa, Westpac Stadium and Eden Park. Before joining Fletcher Challenge, Mark was a partner at law firm Simpson Grierson.

The Board considers Mark Binns to be an independent director and unanimously recommends that shareholders vote in favour of his election.

Agenda Item 4

Election of Rod Snodgrass

Rod Snodgrass joined the Board as an independent director on 1 August 2017. In accordance with the Company's constitution, Rod, having been appointed during the year by the Board, holds office under the constitution only until the Annual Meeting and, being eligible, offers himself for election.

Rod is a member of the Development, Care and Nominations & Corporate Governance Committees.

Rod has extensive experience in corporate strategy, business and product innovation, digital growth, transformation and disruption in the New Zealand communications and media sector. Rod was most recently Chief Executive Officer of Spark Ventures. Prior to that Rod was Spark's Chief Product Officer and before that Chief Strategy Officer and a member of the Spark Executive Team for almost ten years. He is currently a director of JUCY Group and SMX, a Trustee of Springboard Trust and a member of AUT's Auteur's Influencers Panel. Rod is also an AUT Creative Tech Mentor and an Icehouse Flux Accelerator Mentor. Rod knows the local technology industry well. He also has a global strategic view of how the industry is developing having previously been on the Boards of Mobile World Capital Advisory Board based in Barcelona, the Telco Futures Forum, Southern Cross Cables, XtraMSN and Yahoo!Xtra in New Zealand and AAPT and 3 Mobile in Australia.

The Board considers Rod Snodgrass to be an independent director and unanimously recommends that shareholders vote in favour of his election.

Agenda Item 5

Directors' Remuneration

Resolution 5 proposes an increase in the total director fee pool from \$690,000 plus GST (if any) per annum to \$723,000 plus GST (if any) per annum. Individual directors' fees and the Chair's fee were last increased in 2015.

The Board currently comprises seven non-executive directors, one being the Board Chair. The current remuneration structure is \$155,000 plus GST (if any) per annum for the Chair and a base fee of \$80,000 plus GST (if any) per annum for the remaining directors plus additional amounts set out on page 9.

The Board commissioned an independent benchmarking review of the current level of directors' fees by PricewaterhouseCoopers. The peer group from New Zealand listed companies for comparison purposes was selected based on a 50% to 200% range of Metlifecare's market capitalisation in March 2017. This resulted in a peer group of 20 companies which included other aged care providers and organisations with a significant property development and management focus. Further information on other major operators in the sector was also considered. Comparative companies included Argosy Property, Goodman Property Trust, Kiwi Property Management, Precinct Properties,

Property for Industry, Stride Property and Summerset Group. As a result of this review the proposed new fees are set out below.

The proposed increase in the fee pool is designed to accommodate an increase in the Board Chair fee from \$155,000 plus GST (if any) per annum to \$165,000 plus GST (if any) per annum, and director fees from \$80,000 plus GST (if any) per annum to \$82,500 plus GST (if any) per annum. Fees for Committee Chairs for both the Audit and Risk Committee and Development Committees are also proposed to increase from \$10,000 plus GST (if any) per annum to \$12,500 plus GST (if any) per annum to reflect the significant workload and complexity of these two Committees. The fees for other Committee Chairs and Committee Members remain unchanged.

In order to recognise these changes, an increase in the fee pool to \$723,000 plus GST (if any) per annum is proposed. While the final allocation of the total fee pool is a matter for the Board, the current expectation is that the fee pool will initially be allocated in accordance with the following table:

Position	Current Fees plus GST (if any)	Recommended Fees plus GST (if any)	Increase plus GST (if any)
Chair of Board (inclusive of Committee fees)	\$155,000	\$165,000	\$10,000
Non-executive director base fee (six directors excluding Chair)*	\$80,000 (total \$480,000)	\$82,500 (total \$495,000)	\$2,500 (per director)
Chair Audit and Risk Committee	\$10,000	\$12,500	\$2,500
Chair Development Committee	\$10,000	\$12,500	\$2,500
Chair Care Committee	\$7,500	\$7,500	\$0
Chair Remuneration Committee	\$7,500	\$7,500	\$0
Committee Member Fee (Committee Members excluding Nominations & Corporate Governance Members and Chair of each Committee; seven from October 2017)	\$2,500 (total \$15,000)	\$2,500 (total \$17,500)	\$2,500 for one extra Committee Member
Total Allocated	\$685,000	\$717,500	\$32,500
Unallocated	\$5,000	\$5,500	\$500
Total Fee Pool	\$690,000	\$723,000	\$33,000 (4.8%)

*Note: The table contemplates a total of seven directors as at 1 July 2017. As Mark Binns and Rod Snodgrass were appointed effective 1 August 2017 and joined various Committees in September and October 2017, the fees paid for the year to 30 June 2018 will be less than the amounts set out above.

It is proposed that the new fee structure, if approved by shareholders, will apply from 1 July 2017.

In addition, both the Institute of Directors in New Zealand and Australia require on-going continuous director professional development (CPD/DPD) for certain membership categories. Increasingly companies in both New Zealand and abroad are allowing for funding of developmental activities as part of the setting of directors' fee pools and/or expenses, particularly where the activity is approved by the Chair and directly benefits the organisation. In recognition of this, an expenses budget of \$1,250 per director per annum has been provided for, totaling \$8,750 per annum enabling directors to meet approximately ten of their CPD/DPD points per annum (60 required over three years). Whilst this budget does not need shareholder approval, the Company notes the proposed allocation for transparency with shareholders.

Voting Restrictions

In accordance with clause 16.6(a) of the Company's constitution and NZX Main Board Listing Rule 3.5.1, the maximum aggregate remuneration payable to all non-executive directors must be approved by an ordinary resolution of the shareholders of the Company.

In accordance with NZX Main Board Listing Rule 9.3.1, no non-executive director or their Associated Persons (as defined under the Listing Rules) can vote on such resolutions, unless casting votes under an express proxy of a person who is not disqualified from voting.

Agenda Item 6

Remuneration of Auditor

Section 207T of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The Company wishes PricewaterhouseCoopers to continue as the Company's auditor and PricewaterhouseCoopers has indicated its willingness to do so.

Section 207S of the Companies Act 1993 provides that the fees and expenses of the Company's auditor are to be fixed in such a manner as the Company determines at the Annual Meeting. The Board proposes that, consistent with commercial practice, the auditor's fees should be fixed by the directors. Authority for the directors to fix the fees and expenses of the auditor is by way of a resolution at the Annual Meeting of shareholders of the Company.



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