

REMUNERATION POLICY

Policy Statement

Metlifecare Limited (the Company) has a Remuneration Policy in place to attract and retain a calibre of people that reflect and reinforce a high-performance culture which is clearly aligned with the Company's values and corporate strategy. Metlifecare's Remuneration Policy is based on a set of key principles:

1. The Company's remuneration structure should be set with reference to the 50th percentile or median of relevant comparative benchmarks on a Total Fixed Remuneration (TFR) basis.
2. The Company's Remuneration Policy will be used to reinforce a high-performance culture; higher levels of performance will be recognised by higher levels of rewards. Poor performance will not be rewarded and will be proactively managed.
3. Remuneration will reflect business results and will be balanced by our ability to pay.
4. The Company's business performance will be measured against achievement of defined goals in our business strategy as well as external benchmarks to consider both absolute and relative performance.
5. A Short Term Incentive Scheme and Long Term Incentive Scheme shall operate at the discretion of the Board and Management to reward strategic directed performance of the Executive and eligible senior roles.
6. The Company's remuneration will be sufficiently market competitive to attract and retain talented people.

Governance

The Board's sub-committee, the People & Remuneration Committee operates in accordance with the People & Remuneration Committee Charter to facilitate the Company's Remuneration Policy and make recommendations to the Board on the following:

1. Establishing and setting performance of the Chief Executive Officer and the Executive Team including assessing performance against agreed criteria and goals.
2. The structure of any incentive scheme offered to Metlifecare employees.
3. The outcomes of Metlifecare's performance measures under the incentive scheme.
4. Proposed changes to the Remuneration Policy.

The Board is ultimately responsible for Metlifecare's Remuneration Policy and approval of the People & Remuneration Committee's endorsements. All decisions or proposals must be consistent with Metlifecare's Remuneration Policy and Charter.

Director Remuneration

Directors' remuneration is paid in the form of directors' fees with director fee pools generally being reviewed and re-set every two years as resolved at the Company's Annual Shareholder Meetings. Directors' fees are benchmarked to the market every two years with reference to both publicly available information and external remuneration consultancy guidance. Consistent with Metlifecare's Remuneration Policy, Directors' fees are set with reference to the median of the market using a pre-determined comparator group and are made up of Non-Executive Director (NED) Base Fees, Committee Chair and Committee Membership Fees.

Executive Team Remuneration

Chief Executive Officer remuneration is recommended by the People & Remuneration Committee with reference to market surveys, job size and individual responsibilities, skills, knowledge, experience, competencies and accountabilities, and consists of both fixed base salary and both Short and Long term 'at risk' incentives.

Executive Team remuneration is recommended by the Chief Executive Officer to the People & Remuneration Committee and structured to include a base salary and an 'at risk' Short and Long Term Incentive (STI/LTI) component. STI is paid at the discretion of the Board, upon achievement of company and individual targets agreed at the commencement of each financial year. There is also a minimum financial 'gateway' for the STI which determines any bonus available for the year.

CEO and Executive Team remuneration is reviewed annually and benchmarked to the median of the market for TFR and benchmarked to the upper quartile of the market for Total Potential Earnings (TPE). The People & Remuneration Committee is responsible for setting comparator peer groups for Executive Team remuneration.

Employee Remuneration

All employees of Metlifecare are offered a remuneration package made up of Fixed Annual Remuneration, KiwiSaver and, for eligible permanent employees, a Short Term incentive (STI) and a Long Term incentive (LTI). Total Potential Earnings (TPE) is the sum of Fixed Annual Remuneration (FAR) plus KiwiSaver and 'on target' incentives (STI, LTI and any relevant sales incentives).

Both the STI and LTI are designed with consideration of both in year performance and creating future value for Metlifecare. Eligibility is based on the ability of a role to directly influence the outcomes required to set the company up for the future and will be directly linked to our strategy and as detailed in the company's remuneration framework. Usually these roles have direct line of sight to company goals, and typically sit in career bands 5 and above.

Short Term Incentive Scheme (STI)

Irrespective of the roles that qualify for incentives, the eligibility and operation of those incentives will follow the rules as defined in the Metlifecare Short Term Incentive Participants Guide or Sales Incentive Scheme Guide.

The STI Scheme will be reviewed annually. The Company reserves the right to change or remove the STI Scheme.

Mechanics of the STI Scheme:

- FAR is paid for the achievement of 'business as usual' objectives aligned to the role.
- For eligible roles the STI payment is paid on the achievement of specific objectives which will generally be aligned to Metlifecare's Strategic Plan and Annual Business Plan.
- Each STI participant will be assigned three to five STI objectives (with both quantitative and qualitative measures) for incentive purposes, which will generally be aligned to relevant business strategic outcomes.
- In determining the STI payment, the agreed percentage of the STI Cash Flow Target will serve as a 'gateway' or trigger for scheme activation. Achievement of the gateway is necessary to open the opportunity for some level of STI payment to be made in the relevant performance year. Once this is achieved, then the measurement of individual role's STI potential payment will be undertaken. The percentage of STI that can be achieved will be

dependent on the extent to which the gateway and company and individual goals have been achieved and or exceeded.

- Payment of the STI (or proportion thereof) will only be made when:
 - a. The gateway (minimum financial performance threshold) is achieved
 - b. Separate quantitative measures for specific KPI's have been achieved
 - c. Qualitative measure of overall performance and alignment with Metlifecare values have been achieved.
- Transparency – the results of how we are tracking will be clearly communicated to the participants of the STI on a regular basis.

Long Term Incentive Scheme (LTI)

The purpose for the Long Term Incentive Scheme for members of the Executive Team is designed to build a long term investment stake in the Company and to align the interests of the Executive Team with the Company's shareholders.

Scope and Purpose

Metlifecare's Remuneration Policy is supported by other documents and guidelines which cover the detail of specific remuneration benchmarking, processes and provisions. The purpose of this Remuneration Policy is to ensure that remuneration practices remain appropriate for the Company and there is a clear link between remuneration and performance.

Review and Amendments

The Board annually reviews this Policy.

Publication

This Remuneration Policy is available on the Company's website, www.metlifecare.co.nz.