

Metlifecare Dividend Reinvestment Plan Offer Document 22 August 2014

This is an important document. You should read the whole document before making any decisions. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor.

Metlifecare Limited

Dividend Reinvestment Plan

Terms and Conditions

1 Introduction

This document (“Offer Document”) contains the terms and conditions of the Metlifecare Limited (“Metlifecare”) Dividend Reinvestment Plan (the “Plan”).

The Plan is available to you (“you”) if, subject to clauses 3 and 4, you are the holder of ordinary shares in Metlifecare (“Shares”).

Under the Plan, you may elect to reinvest the net proceeds of cash dividends payable or credited on all or some of your fully paid Shares by acquiring further Shares (“Additional Shares”).

The record date for determining your entitlement to Additional Shares under the Plan is 5.00pm on the date fixed by Metlifecare for determining entitlements to dividends payable or credited on Shares (“Record Date”).

This Offer Document replaces an offer document dated 18 March 2013 and has been prepared as at 22 August 2014.

Further information about Metlifecare, including its current dividend policy, can be found in the Investor section of its website at www.metlifecare.co.nz.

2 Available Options

You may elect to participate in the Plan by exercising one of the following options:

- (a) **Full Participation** - If you choose full participation, the Plan will apply to the cash dividends payable or credited from time to time in respect of all Shares registered in your name.
- (b) **Partial Participation** - If you choose partial participation, the Plan will only apply to the cash dividends payable or credited from time to time in respect of your nominated percentage of Shares registered in your name.

The Shares, if any, which you have chosen to participate in the Plan at each Record Date will be your “Participating Shares”.

If you do not wish to participate in the Plan and instead wish to receive any dividends payable or credited in respect of your Shares from time to time in cash you do not need to do anything.

3 Overseas Shareholders

3.1 Metlifecare may, in its absolute discretion, elect not to offer participation in the Plan to shareholders whose address is outside New Zealand or Australia if Metlifecare considers that to do so would risk breaching the laws of any other jurisdiction and it would be unduly onerous to ensure that the laws of those jurisdictions are complied with. The Board may amend this policy at any time, in its sole discretion.

3.2 If you reside outside New Zealand or Australia and participate in the Plan through a New Zealand or Australia resident nominee you will be deemed to represent and warrant to Metlifecare that you can lawfully participate through your nominee. Metlifecare accepts no responsibility for determining whether any person is able to participate in the Plan under laws applicable outside of New Zealand or Australia.

4 Exclusion where Liens or Charges over Shares

If you hold any Shares over which Metlifecare has a lien or charge, those Shares will not be eligible to participate in the Plan.

5 Participation Election

5.1 To participate in the Plan you must make a “Participation Election” by completing a participation notice in a form provided by Metlifecare from time to time (the “Participation Notice”) in accordance with the instructions on that notice and sending the completed Participation Notice to Metlifecare’s Share Registrar at:

Computershare Investor Services Limited Private Bag 92119 Auckland 1142

or such other person or address as Metlifecare may determine from time to time or by electronic means specified by Metlifecare from time to time.

5.2 You can make your Participation Election at any time while this Plan is in effect by following the steps in clause 5.1. Participation Notices can be obtained from Metlifecare’s Share Registrar at any time.

5.3 If your Participation Election does not specify your degree of participation in the Plan, you will be deemed to have chosen full participation if your Participation Election is otherwise correctly completed.

5.4 The last date for receipt of a Participation Notice for participation in any dividend will be the first business day (being a day the NZX Main Board is open for trading) after the relevant Record Date or such later date as may be set by the Board and advised to the market (“Election Date”).

6 Participation Applies from First Election Date

Net proceeds of cash dividends payable or credited on your Participating Shares will be reinvested in Additional Shares from the first Election Date which occurs after receipt by Metlifecare of a properly completed Participation Election.

7 Formula for Calculation of Additional Shares

7.1 If you choose to participate in the Plan, the number of Additional Shares you will be allotted will be calculated in accordance with the following formula:

$$N = \frac{PS \times D}{P \times E}$$

$P \times E$

Where:

N is the number of Additional Shares you will receive (with fractional entitlements to be rounded to the nearest whole number).

PS is the number of your Participating Shares.

D is the net proceeds of cash dividends paid or credited per Share by Metlifecare (expressed in cents and fractions of cents, including any applicable supplementary dividends in respect of Participating Shares payable to non-resident shareholders but excluding any tax credits and after deduction of any withholding or other taxes, if any).

P is the volume weighted average sale price in New Zealand dollars (expressed in cents and fractions of cents) for a Share calculated on all trades of Shares which took place through the NZX Main Board over the period of 5 trading days immediately following the Record Date. If no sales of Shares occur during those 5 trading days, then the volume weighted average sale price will be deemed to be the sale price for a Share on the last trade of Shares which took place prior to 5.00pm on the Record Date.

E is the percentage determined by the Board from time to time, in its absolute discretion. As at the date of this Offer Document, the percentage is 97.5 per cent. Any change to this percentage shall be notified to NZX Limited for release to the market not later than 10 trading days prior to the relevant Record Date.

7.2 The price at which your Additional Shares will be allotted will be determined by the Board as $P \times E$ (the “Strike Price”). The price “P” may be reasonably adjusted by Metlifecare to allow for any bonus issue or dividend or other distribution expectation. If, in the opinion of the Board, any exceptional or unusual circumstances have artificially affected the price “P”, Metlifecare may make such adjustment to that price as it considers reasonable. The determination of the Strike Price of the Additional Shares by the Board, or by some other person nominated by the Board, will be binding on all participants in the Plan.

8 Compliance with Laws, Listing Rules and Constitution

8.1 The Plan will not operate to the extent that the allotment of Additional Shares under the Plan would breach any applicable law, any applicable listing rules or any provision of Metlifecare’s constitution.

8.2 If, for any reason, Metlifecare cannot allot your Additional Shares, the relevant dividend on your Participating Shares will be paid or distributed to you in the same manner as to shareholders not participating in the Plan and at the same time as the dividends are paid to those shareholders. You will not be paid interest on any such payment.

9 Issue of Additional Shares

Metlifecare will allot your Additional Shares in accordance with clauses 7 to 8 on the day that you would otherwise have been paid a dividend.

10 Share Price Information Publicly Available

Metlifecare will ensure that at the time the Strike Price is set under clause 7.1 it will have no information that is not publicly available that would, or would be likely to, have a material adverse affect on the realisable price of the Shares if it was publicly available.

11 Terms of Issue and Ranking of Additional Shares

Your Additional Shares will be allotted on the terms set out in this Plan, subject to the rights of termination, suspension and modification set out in clause 14. Your Additional Shares will, from the date of allotment, rank equally in all respects with each other and with all other Shares of Metlifecare on issue as at that date. Your Additional Shares will be subject to the same rights as the Additional Shares issued to all holders of Shares who agree to receive Additional Shares.

12 Source of Additional Shares

Your Additional Shares may, at the Board's discretion, be:

- (a) new Shares issued by Metlifecare;
- (b) existing Shares acquired by Metlifecare or a nominee or agent of Metlifecare; or
- (c) any combination of (a) and (b) above.

13 Statements

If you choose to participate in the Plan, Metlifecare will send a statement to your address or electronic mail address (if you have elected to receive communications electronically) as set out in Metlifecare's share register within 5 trading days of the allotment of Additional Shares detailing:

- (a) the number of your Participating Shares as at the Record Date;
- (b) the amount of your cash dividend reinvested in Additional Shares and the amount paid in respect of any of your Shares that are not participating in the Plan (if applicable);
- (c) the Strike Price and number of Additional Shares you were allotted under the Plan;
- (d) the amount of any tax deductions or withholdings, imputations or other taxation credits in respect of the cash dividend; and
- (e) such other matters required by law with respect to dividends and/or reinvestment.

14 Termination, Suspension and Modification

The Board may, in its sole discretion, at any time:

- (a) terminate, suspend or modify the Plan. If the Plan is modified, your Participation Election will be deemed to be a Participation Election under the modified Plan unless you withdraw or modify your Participation Election in accordance with clause 16;
- (b) resolve that some or all of a dividend will be paid in cash only instead of the Plan applying;
- (c) resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of shares, your Participation Election will be deemed to be a Participation Election in respect of the shares as subdivided, consolidated or reclassified unless you withdraw or modify your Participation Election in accordance with clause 16;
- (d) resolve that your Participation Election will cease to be of any effect, for example, if the Participation Notice has been incorrectly completed or is unclear or if the number of Shares you hold is insufficient to enable participation as requested; or
- (e) determine that Additional Shares may be issued at a discount to the market price of Shares and the amount of any such discount.

15 Notice

- (a) If the Plan is modified under clause 14(a) then a Participation Notice will be deemed to be a Participation Notice under the Plan as modified unless such Participation Notice is subsequently changed or withdrawn by you.
- (b) Notice of any modification, suspension or termination under clause 14(a) will be given to you. However, no such modification or termination by Metlifecare will be made during the period commencing on a date 21 days before a Record Date for the purposes of determining entitlement to a dividend and ending on the date of payment of that dividend.
- (c) Notwithstanding clauses 15(a) and (b), Metlifecare may at any time, without the need of any notice:
 - (i) modify, suspend, or terminate the Plan to comply with any applicable law, the listing rules of any stock exchange on which Shares are listed, or any provision of Metlifecare's constitution; and

(ii) make minor amendments to the Plan where such amendments are of an administrative or procedural nature.

(a) increase or decrease the number of your Participating Shares by making a new Participation Election in accordance with clause 5.1; or

(b) terminate your participation in the Plan by written notice to Metlifecare's Share Registrar at the address set out in clause 5.1.

Such variation or termination will take effect on the first Election Date after receipt by Metlifecare's Share Registrar of the new Participation Election or the written termination notice, as the case may be.

17 Partial Dispositions

If you dispose of any of your Participating Shares, you will be deemed to have terminated your participation in the Plan with respect to the Participating Shares you disposed of from the date Metlifecare's Share Registrar registers a transfer of those Participating Shares.

18 Dispositions of all of your Participating Shares

If you dispose of all of your Participating Shares, you will be deemed to have terminated your participation in the Plan from the date Metlifecare's Share Registrar registers a transfer of those Shares.

19 Taxation

For New Zealand tax purposes, if you reinvest the net proceeds of your cash dividends to acquire Additional Shares, you should be treated in the same way as if you had not participated in the Plan. This means that if you participate in the Plan, you should derive dividend income of the same amount that you would have derived had you not participated in the Plan.

The taxation summary above is based on New Zealand taxation laws as at the date of this Offer Document and is, of necessity, general. It does not take into account your individual circumstances and the specific tax consequences of your participation or non-participation in the Plan, which may vary considerably. You should not rely on this general summary but should seek your own tax advice. Metlifecare does not accept any responsibility for the financial or taxation effects of your participation or non-participation in the Plan.

20 Costs

You will not be charged for participation or withdrawal from the Plan. You will not incur any brokerage costs on the allotment of your Additional Shares.

21 Listing Rules

The Plan is subject to any applicable listing rules for clearing and/or settlement which apply to the NZX Main Board from time to time (together, the "Rules") and in the event of any inconsistency between the Plan and the Rules, the Rules will apply.

22 Governing Law

The Plan and its operation will be governed by the laws of New Zealand.

23 Other Information

You can download an electronic copy of Metlifecare's most recent Annual Report and Metlifecare's most recent financial statements from Metlifecare's website at www.metlifecare.co.nz

Alternatively, you can request a copy of these documents free of charge by writing to Metlifecare's Company Secretary at the address specified in the Directory to this document.

Directory

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SHARE REGISTRAR

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