

Notice of Annual Meeting



Notice is given that the Annual Meeting of shareholders of Metlifecare Limited will be held at the Guineas 3 Lounge, 3rd Floor, Ellerslie Event Centre, 80-100 Ascot Avenue, Greenlane, Auckland on Thursday, 1 November 2007, commencing at 11.00am.

ORDINARY BUSINESS

Annual Meeting Minutes (Ordinary Resolution)

1. To approve the minutes of the last Annual Meeting held on 25 October 2006.

Chairman's and Chief Executive Officer's Report and Financial Statements

2. To receive and consider the Chairman's and Chief Executive Officer's Report, Financial Statements and the Auditors' Report for the year ended 30 June 2007.

Rotation and Election of Directors (Ordinary Resolutions)

3. In accordance with the Company's constitution, Messrs Darryl Leonard Guihot and Phillip Brent Harman retire by rotation and, being eligible, offer themselves for re-election.

Mr Patrick Joseph McClure, AO being appointed during the year by the Board, holds office under the constitution only until the Annual Meeting and being eligible, offers himself for re-election. (Refer Directors' Profiles on page seven of this Notice.)

Auditors (Ordinary Resolution)

4. To record the automatic re-appointment of the Auditors, PricewaterhouseCoopers and to authorise the Directors to fix their remuneration for the current year.

SPECIAL BUSINESS

New Constitution (Special Resolution)

5. To adopt the constitution tabled at the Annual Meeting in substitution for the existing constitution (as described in the Explanatory Note).

VOTING BY PROXY

All shareholders entitled to attend and vote at the Annual Meeting are entitled to appoint a proxy to attend and vote for them instead. A proxy need not be a shareholder of the Company. A proxy form is enclosed and, if used, must be lodged at the offices of the Company's Share Registrar, Computershare Investor Services Limited (see proxy form for the address), not less than 48 hours before the time for the holding of the meeting (ie before 11.00am on 30 October 2007).

By order of the Board of Directors.

A handwritten signature in black ink, appearing to read "K B De Suza", written over a light grey rectangular background.

K.B. De Suza

Company Secretary

21 September 2007

EXPLANATORY NOTE

The items of ordinary business requiring ordinary resolutions require approval by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution.

Item 1:

Annual Meeting Minutes

A copy of the minutes of the Annual Meeting held on 25 October 2006 is available for inspection at the registered office of the Company and will be also available for inspection at the Annual Meeting.

Item 5:

Amendments to the Constitution to incorporate the NZSX Listing Rules by reference

1. At the 2007 Annual Meeting of shareholders of the Company, the Company is required to either incorporate the provisions of the NZSX Listing Rules ("Listing Rules") by reference or amend the Constitution so that the changes to the Listing Rules made on 10 May 2006 are reflected in specific provisions of the Company's Constitution. The Listing Rules may be viewed at www.nzx.com. New Zealand Exchange Limited ("NZX") amended the Listing Rules on 1 May 2004 to permit listed issuers to incorporate the provisions of the Listing Rules in their constitutions by reference, instead of requiring that specific Listing Rules be inserted in their constitutions. At that time, the Board of Metlifecare chose to continue to amend the Constitution and inserted the specific Listing Rules required to be in the Company's Constitution. Shareholders will no longer be required to pass a special resolution changing the Constitution to accommodate further changes to the Listing Rules.
2. Metlifecare's Board now proposes to incorporate the Listing Rules by reference in the Company's Constitution. This will mean that in the future when the Listing Rules are amended by NZX, the Company will not be required to amend the Constitution by seeking the approval of shareholders, usually at an annual meeting. Metlifecare's Constitution will automatically reflect amendments to the Listing Rules when those changes take effect rather than at the time those amendments are approved by shareholders. Upon Metlifecare incorporating the Listing Rules by reference, the changes required by the Listing Rules that came into force on 10 May 2006 will be incorporated in the Constitution by reference.
3. As a result of the proposal to incorporate Listing Rules by reference, the following provisions in the Constitution that would be required by the Listing Rules will be removed and are instead incorporated by reference (using the current Listing Rules numbers and the current clause numbers in the Constitution):
 - i. the restrictions on the permitted issue of Equity Securities (Rules 7.3, 7.4 and 7.5; clause 3);
 - ii. the restrictions on the acquisition of Equity Securities by the Company (Rule 7.6; clause 4.2);
 - iii. the restrictions on the Company giving financial assistance (Rule 7.6; clause 4.5);
 - iv. the restrictions on redemption of Equity Securities (Rule 7.6; clause 4.6);
 - v. the restrictions on voting by shareholders (Rule 9.3; clause 18.1.8);
 - vi. the provisions relating to the Board determining the independence of Directors, the requirement for two Directors to be ordinarily resident in New Zealand and the provisions on minimum number of independent Directors (Rules 3.3.1, 3.3.1A, 3.3.1B and 3.3.1C; clause 19.1);
 - vii. the provisions governing the nominations of Directors for appointment (Rule 3.3.2; clause 19.3);
 - viii. the provisions relating to the retirement of Directors at the annual meeting of shareholders (Rule 3.3.8 and 3.3.9; clause 19.4);

- ix. the provisions concerning the restrictions on Directors remuneration and the payment of amounts following the retirement or cessation of office of a Director (Rules 3.5.1 and 3.5.2; clause 19.7);
 - x. the restrictions on interested Directors voting (Rules 3.4.3 and 3.4.4; clause 21.1.4);
 - xi. the specific provisions relating to the establishment and the role of the audit committee (Rule 3.6; clause 23A);
 - xii. the provisions relating to change of undertaking, significant transactions and Related Party transactions (Rules 9.1 and 9.2; clause 24); and
 - xiii. the provisions relating to notices to holders of securities and Equity Securities (Rule 6.3; clauses 32.2, 32.3 and 32.10).
4. The following principal changes to the Company's Constitution will take effect upon incorporating the Listing Rules by reference:
- i. the 7% over five years limit for employee Equity Security issues will be removed. The limit on issuing Equity Securities to employees is 3% per year;
 - ii. in relation to Director nominations, the restrictions on the opening date for nominations will be removed and left to the discretion of the Company. The only announcement required by the Company is of the closing date for Director nominations and to give the relevant contact details for making nominations. The announcement must be made at least 10 business days prior to the closing date (which must be no more than two months prior to the meeting date);
 - iii. the restrictions on pro-rata and \$5,000 offers to existing holders will be amended so that the Company must extend a \$5,000 offer to beneficial owners of securities held through a custodian. There is now a three month limit on placing shares under this provision. Pro-rata, \$5,000 offers and dividend reinvestment plan offers may exclude overseas shareholders if the laws of that jurisdiction make the offer unduly onerous;
 - iv. the limit on financial assistance has been changed from 5% of Shareholders' Funds to 5% of the Company's Average Market Capitalisation (which has been changed to the Volume Weighted Average price for the past 20 business days);
 - v. the timeframes for completing financial assistance, redemptions and buy backs will be aligned with the timeframe for issuing shares;
 - vi. the provisions relating to restricted transactions will be amended to remove the reference to the Company having recourse to the credit risk of a bank in the exception to Rule 9.1.1. In relation to Related Party transactions, the threshold has been set at \$250,000 per year. The exceptions to Related Party transactions will be amended to delete the reference to the credit recourse of the bank which leaves the exception applicable to transactions undertaken in the normal course of banking business. The exceptions in the Related Party transaction rules for common Directors and subsidiaries will be introduced; and
 - vii. as an exception to the Related Party transactions, the exception in relation to executive remuneration will be amended to no longer require NZX approval. Transactions will be automatically exempt where the certification is provided by Independent Directors to NZX that the terms were set on an arm's length and commercial basis.

Amendments to the Constitution to permit email notices for Directors

5. For reasons of convenience and flexibility, it is proposed that notices of meetings of Directors may be sent by email (current clause 22).

Summary of proposed amendments

6. The following is a summary of the proposed specific changes to the Company's Constitution that will take effect if the special resolution to approve the amended constitution is passed (using the current clause numbers in the Constitution):
- i. Clause 1.1: Definitions of terms that are defined in the Listing Rules will be deleted, namely the definitions of Appraisal Report, Associated Person, Audit Committee, Bank, Business Day, Class, Code Company, Convert, Debt Security, Director, Disqualifying Relationship, Employee, Equity Security, Executive Director, Independent Director, Listing, Member of the Public, Minimum Holding, Option, Ordinary Resolution, Quotation, Recognised Stock Exchange, Relevant Interest, Renounceable, Right, Rule, Security, Shareholders' Funds, Subsidiary, Treasury Stock and Vote. Where terms appear, they are in lower case;
 - ii. Clause 1.1: Definitions of terms that are defined in the Companies Act 1993 will be deleted, namely Distribution, Dividend, Holding Company, Interests Register, Major Transaction, Register and Solvency Test. In the Constitution, those terms appear in lower case;
 - iii. Clause 1.3 dealing with defined terms will be deleted and replaced with a new clause. Terms (whether capitalised or not) defined in the Listing Rules have the same meaning as in the Listing Rules, and a similar clause has been inserted with reference to terms defined in the Companies Act 1993;
 - iv. Clause 1.8 dealing with compliance with the Listing Rules has been amended by the insertion of the words "*as modified by any waiver or ruling relevant to the Company*";
 - v. A new clause 1.8A will be inserted to provide that for so long as the Company is listed, the Constitution incorporates all the provisions of Listing Rules required to be contained incorporated by reference in the Constitution, and that where the Listing Rules change so that if any act or omission formerly prohibited is subsequently required or permitted, that act or omission is deemed to be authorised with effect from the date of the change;
 - vi. A new clause 1.9A will be inserted to provide that failure to comply with the Listing Rules does not affect the validity or enforceability of any transaction, contract, action or other matter except where a party that knew of the failure is not entitled to enforce that transaction or contract;
 - vii. Clause 2.1 dealing with the power of the Board to issue shares will be expressed to be subject to the Constitution and the Listing Rules. Clause 2.1.1 will provide that the Board may issue shares that rank as to voting or distribution or both equally or in priority to existing shares and the issue will not be treated as an action affecting the rights attaching to those shares unless the terms of issue expressly provide otherwise and clause 2.1.2 will be deleted. Clause 2.1.5 dealing with the Board's power to issue Equity Securities will be deleted;
 - viii. Clause 2.3 dealing with modification of rights and interest groups, which provision is required by the Listing Rules, will be deleted;
 - ix. A new clause 2.5 dealing with the issue or redemption of redeemable shares will be inserted;
 - x. Clause 3 dealing with permitted issues of Equity Securities, which provisions are required by the Listing Rules, will be deleted;
 - xi. In clause 4, dealing with acquisition and redemption of own shares and financial assistance will be amended to reflect that the provisions in clauses 4.2, 4.3, 4.5 and 4.7, which provisions are required by the Listing Rules, will be deleted. Clauses 4.1, 4.4 and 4.6 will be amended to recognise that the Company may acquire its own shares, provide financial assistance and redeem shares. Clause 4.8 relating to the Company holding treasury stock will be amended so that it is expressed to be subject to the Listing Rules. The requirement to give notice to NZX in clause 4.8.4 will be deleted;

- xii. Clause 7.9 dealing with cancellation of unpaid amounts will be deleted;
- xiii. Clause 10.3 dealing with the power to refuse or delay registration of any transfer will be expressed to be subject to the Act or the Listing Rules;
- xiv. Clause 15.3 dealing with attendance at meetings of Equity Security holders will be deleted;
- xv. Clause 16.2.1 dealing with notices of meeting of shareholders will be amended to refer to shareholders instead of Equity Security holders;
- xvi. Clause 17.15 dealing with notices, reports and financial statements in relation to holders of Equity Securities will be deleted;
- xvii. Clause 18.1.8 dealing with restrictions in the Listing Rules on voting will be substantially deleted and replaced with a brief reference to the prohibition in the Listing Rules from casting votes;
- xviii. Clause 18.2.4 which contains the form of proxy will be amended to update the form;
- xix. Clause 19.1 will be amended to remove the requirements from the Listing Rules that at least two of the Directors shall be ordinary resident New Zealand and the requirement for the number of Independent Directors. Clauses 19.1 to 19.1.3 in relation to the determination of the independence of Directors will be deleted;
- xx. Clause 19.3 dealing with nominations for the appointment of Directors, which provision is required by the Listing Rules, will be deleted;
- xxi. Clause 19.4.1 relating to the number of Directors to retire under the Listing Rules will be amended to remove that reference;
- xxii. Clause 19.4.3 dealing with appointments of Directors to be voted on individually, which provision is required by the Listing Rules, will be deleted;
- xxiii. Clause 19.5.1 in relation to the Board's powers and the holding of office of any casual appointments, eligibility for election and that those appointments are not to be taken into account for determining Directors retire by rotation, which is required by the Listing Rules, will be amended;
- xxiv. Clause 19.7 dealing with the remuneration of Directors, which provisions are dealt with in the Listing Rules, will be substantially deleted and a cross reference inserted to refer to the Listing Rules. An ordinary resolution of shareholders will be required to approve Directors remuneration;
- xxv. Clause 21.1.4 dealing with interested Directors voting, which provision is required by the Listing Rules, will be deleted;
- xxvi. Clause 22 dealing with the method of sending notice of meetings to Directors has been amended to include email notices. Notices by email are deemed to be sent when the Company receives an acknowledgment of receipt;
- xxvii. Clause 23A dealing with the audit committee, which provisions are required by the Listing Rules, will be deleted;
- xxviii. Clause 24.6 to 24.8 dealing with restrictions on the powers and duties of Directors in relation to the change of a main undertaking, change of essential nature of business and significant transactions, which are dealt with under the Listing Rules, will be deleted;
- xxix. Clause 24.10, dealing with related party transactions, which are dealt with under the Listing Rules, will be deleted. Clauses 30.2 and 32.11 dealing with the annual report, will be amended to reflect the changes to the Companies Act 1993 dealing with the preparation and despatch of annual reports to shareholders;

- xxx. Clause 32.2 dealing with notices to holders of Equity Securities will be deleted;
- xxxi. Clause 32.3 dealing with service of notice and registered addresses of holders of securities, which provision is required by the Listing Rules, will be amended to remove that provision;
- xxxii. Clause 32.9 dealing with accidental omissions to send an annual report, notice or other document will be expressed to be subject to the Listing Rules; and
- xxxiii. Clause 32.10 dealing with notices to Equity Security holders, which is dealt with in the Listing Rules, will be deleted.

All clause numbers will be renumbered accordingly following the deletions and insertions.

Copies of constitution available for inspection

- 7. Copies of the current Constitution (marked-up to show the changes) and the proposed amended Constitution may be viewed on the Company's website: www.metlifecare.co.nz. Both copies may also be inspected at the registered office of the Company at Level 2, Metlifecare House, 302 Great South Road, Greenlane, Auckland, during normal office hours.

Special resolution

- 8. A special resolution is required to approve the amended Constitution. This will require approval by 75% or more of the votes of those shareholders entitled to vote and voting on the resolution.

NZX Approval

- 9. The proposed amended Constitution has been approved by NZX.

Board Recommendation

- 10. The Board unanimously recommends that shareholders approve the proposed amended Constitution.

DIRECTORS' PROFILES



Darryl Leonard Guihot LLB (Sydney), BEc (Sydney), FCPA (Aust.)

Darryl Guihot was appointed as Chief Financial Officer of FKP Limited in September 2004. Darryl offers more than 30 years experience in commerce and investment banking, both in Australia and overseas. He has been a public company CFO since 1991, and his career includes exposure to diverse industries such as property, media, resources and retailing.

Darryl Guihot is not an Independent Director.



Phillip Brent Harman

Brent Harman is a company director and business advisor with wide experience in media. He is the former Chief Executive of Television New Zealand; has managed publicly listed companies in Australia and the United Kingdom; and has experience in mergers, acquisitions, joint ventures and restructurings.

Brent Harman is an Independent Director.



Patrick Joseph McClure, AO

Patrick McClure is a Division Director within Macquarie Bank and CEO of the Retirement Villages Group. Prior to joining Macquarie in 2006, Patrick was CEO of Mission Australia for 10 years. During that period the company was transformed from a state-based entity to a highly successful international organization with revenue of \$250 million and 3,000 staff. Patrick has 20 years experience in executive management roles within community and public sector organizations.

He was Chairperson of the Federal Government's Reference Group on Welfare Reform from 2000-1, Deputy Chairperson of the Welfare to Work Consultative Forum from 2005-6, Member of the Board for a New Tax System from 1999-2001 and Chairperson of the OECD-LEED Forum on Social Innovation based in Paris from 2003-6.

He is currently a Commissioner of the Australian Fair Pay Commission and has been a Member of the Prime Minister's Community Business Partnership since 1999. He was awarded an Order of Australia (AO) in 2003 and an Australian Centennial Medal in 2001. He was selected as an AFR-BOSS True Leader in 2005 and a winner of the Equity Trustee's EQT CEO Awards for 'Lifetime Achievement' in 2002. He has a Master of Arts (Public Policy) and is a Fellow of the Australian Institute of Company Directors.

Patrick McClure is not an Independent Director.

