

Notice of
**2015 Annual Meeting
of Shareholders**

10am, Friday 21 August 2015



Notice is given that the

Annual Meeting of Shareholders of Arvida Group Limited (Arvida) will be held on Friday 21 August 2015 at 10.00am at The George, 50 Park Terrace, Christchurch.

Business

1 Chairperson's Introduction

2 Chief Executive Officer's Review

3 Resolutions

3.1 Re-election of Director

That Michael George Ambrose, who retires by election, and being eligible, offers himself for re-election as a director of Arvida.

(See explanatory note 1)

3.2 Election of Director

That Susan Marie Paterson, who was appointed by the board during the year, retires by rotation, and being eligible, offers herself for election as a director of Arvida.

(See explanatory note 2)

3.3 Election of Director

That Paul Morton Ridley-Smith, who was appointed by the board during the year, retires by rotation, and being eligible, offers himself for election as a director of Arvida.

(See explanatory note 3)

3.4 Ratify shares issued pursuant to the acquisition of Aria Gardens Limited and Epsom Brown Holdings Limited

That the following share issues are ratified, confirmed and approved for the purposes of NZX Main Board Listing Rule 7.3.5(c)

(See explanatory note 4):

- 35,714,286 shares issued on 30 June 2015 at 84 cents each to the participants in the placement; and
- 6,727,968 shares issued on 3 July 2015 at 89 cents each to the vendors of Aria Gardens Limited and Epsom Brown Holdings Limited under the respective sale and purchase agreements; and

3.5 Auditor's Remuneration

That the directors be authorised to fix the fees and expenses of Ernst & Young as the auditor of Arvida. (See explanatory note 5)

4 General Business

Procedural Notes

- a. The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of Arvida at 5:00pm on Tuesday, 19 August 2015.
- b. All resolutions must be passed by an ordinary resolution of shareholders, i.e., by a simple majority of the votes of those shareholders entitled to vote and voting on the resolution in person, by proxy or by postal vote. No director or any other person is prohibited from voting on any resolution other than on resolution 4, where the vendors issued shares in the Aria acquisition and Forsyth Barr Limited the allottee under the placement (or any of their respective Associated Persons under the NZX Main Board Listing Rules) may not vote.

Proxy

- c. A shareholder may vote at the Annual Shareholders' Meeting either in person or by proxy. A body corporate which is a shareholder may appoint a representative to attend the Annual Shareholders' Meeting on its behalf in the same manner as that in which it could appoint a proxy.
- d. A proxy need not be a shareholder of Arvida. A shareholder who wishes to do so may appoint the Chairperson of the Meeting to act as proxy.
- e. A proxy will vote as directed in the proxy form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions (or on any motions from the floor moved at the meeting). If the Chairperson is appointed as proxy and the voting is left to his discretion, the Chairperson intends to vote in favour of all Resolutions.
- f. A proxy form is enclosed and, if used, must be lodged with the share registrar, Computershare Investor Services Limited, in accordance with the instructions set out on the form not less than 48 hours before the time of the holding of the meeting.

Postal Votes and Electronic Voting

- g. Instead of voting in person or by proxy a shareholder may cast a postal vote on all or any of the matters to be voted on at the meeting. The Board has authorised Jeremy Nicoll to receive and count postal votes at the meeting.
- h. A postal voting form is enclosed with this notice (combined with the proxy form). If you wish to cast a postal vote you must either:
 - a. complete the form and send it to Computershare Investor Services Limited, in accordance with the instructions set out on the form; or

- b. vote online via www.investorvote.co.nz following the instructions in the Proxy/Voting Form.

not less than 48 hours before the start of the meeting.

Explanatory Notes

1. Under rule 3.3.11 of the NZX Main Board Listing Rules (the Listing Rules), and in accordance with clause 26 of the constitution of Arvida, one third of the Directors of Arvida must retire by rotation at the Annual Shareholders' Meeting. If the Directors are eligible, they may offer themselves for re-election by shareholders at the meeting. In this case, Michael George Ambrose retires by rotation and, being eligible, offers himself for re-election by shareholders at the Annual Shareholders' Meeting.

Michael George Ambrose is a non-executive Director. As at the date of this notice, he is not considered to be an Independent Director for the purposes of the Listing Rules, due to historical relationships he has with some of the facilities owned by Arvida and the formation and listing of Arvida. The board will continue to periodically review his status as a director. A brief biography outlining Mr Ambrose's history and experience is set out below.

At the Annual Shareholders' Meeting a resolution to re-elect Michael Ambrose will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the re-election of Michael Ambrose. Michael Ambrose abstained from any consideration by the Board on his re-election and will abstain from voting his shares, and any incidental proxies he holds, on Resolution 1.

Michael Ambrose

Michael is a director of Arvida Group Limited. He is also a director of Rodgers & Co, a chartered accountancy firm based in Christchurch and heads the firm's aged care division. Michael has 16 years' experience in the aged care sector, advising on the operation, expansion and development of his clients' retirement villages. Michael led the aggregation of the foundation villages and was a promoter of the Arvida initial public offering. Michael actively manages several client companies and is a board member of a number of companies and organisations. Michael is a member of the NZ Institute of Chartered Accountants, the NZ Institute of Management and the Institute of Directors.

2. Under rule 3.3.6 of the Listing Rules, any person who is appointed as a Director by the directors shall retire from office at the next annual meeting of the Issuer, but shall be eligible for election at that meeting. In this case, Susan Paterson and Paul Ridley-Smith retire and, being eligible, offer themselves for re-election by shareholders at the Annual Shareholders' Meeting

Susan Paterson is considered by the Board to be an Independent Director, as that capacity is described in the Listing Rules. A brief biography outlining Ms Paterson's history and experience is set out below.

At the Annual Shareholders' Meeting a resolution to elect Susan Paterson will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the re-election of Susan Paterson. Susan Paterson abstained from any consideration by the Board on her re-election and will abstain from voting her shares, and any incidental proxies she holds, on Resolution 2.

Susan Paterson

Susan became a director in May 2015. She has many years' Board experience and was recently appointed as an Officer of the New Zealand Order of Merit for her services to corporate governance. She holds a number of directorships, including Abano Healthcare Group, Goodman NZ, Les Mills NZ and Housing New Zealand. Susan is also the Chair of Airways Corporation of NZ and Theta Systems. She has owned her own pharmacy business and has previously been a director of Tower Health and Life, Ports of Auckland Ltd, Auckland Regional Holdings and Transpower New Zealand. Susan holds an MBA from London Business School and a BPharm from Otago University.

3. Paul Ridley-Smith is considered by the Board to be an Independent Director, as that capacity is described in the Listing Rules. A brief biography outlining Mr Ridley-Smith's history and experience is set out below.

At the Annual Shareholders' Meeting a resolution to elect Mr. Ridley-Smith will be put to shareholders. The Board unanimously recommends that shareholders vote in favour of the election of Paul Ridley-Smith. Paul Ridley-Smith abstained from any consideration by the Board on his election and will abstain from voting his shares, and any incidental proxies he holds, on Resolution 3.

Paul Ridley-Smith

Paul was appointed director in May 2015. Paul was most recently General Counsel at Contact Energy and prior to that was a senior executive in the Morrison & Co and Infratil group. His previous directorships include Wellington International Airport, Liquigas, iSite Media and Wallace Corporation. Paul was also a member of the NZ Markets Disciplinary Tribunal for six years. He is currently a trustee of the New Zealand Festival and the Wallace Arts Trust. He holds an LLB from Victoria University and an MBA from Columbia University.

The Board wishes to ensure that it possesses the appropriate blend of expertise, skills and experience, having regard to the size of Arvida and the nature of its business. The Board supports the re-election and election of Michael Ambrose, Susan Paterson and Paul Ridley-Smith because the Board considers that these candidates have the expertise to contribute to the overall skill set required by the Board.

Ratification of Aria acquisition and funding share issues

4. Under rule 7.3.5(a) of the Listing Rules, Arvida is limited to issuing up to 20% of the total number of Equity Securities of the same class as already quoted on the NZX Main Board on issue for 12 months, unless the shareholders ratify the shares by ordinary resolution under Listing Rule 7.3.5(c).

On 24 June 2015 Arvida announced to NZX the strategic acquisition of Aria Bay, Aria Park and Aria Gardens (together Aria) for approximately \$62 million, three complementary, well established aged care facilities situated in premium Auckland locations. Further information about this acquisition is available at www.arvida.co.nz.

To part fund this acquisition, Arvida issued 35,714,286 shares in a placement to Forsyth Barr Limited for on-transfer following a 'book build' to a wide range of institutional and high net worth investors on 30 June 2015 at 84 cents each and 6,727,968 shares to the vendors of Aria on 3 July 2015 at 89 cents each (together, the Shares Issued), which has the same rights and ranked equally with all existing Arvida shares. No directors participated in the placement or issue of shares to Aria vendors.

The Board approved the issue of shares for the acquisition of Aria, as it considered that the

transaction as a whole was in the best interests of shareholders. Shareholders with a New Zealand address were subsequently offered the opportunity to participate in a Share Purchase Plan (SPP) to acquire up to \$15,000 of shares each at the same price as the placement. The SPP was fully subscribed.

At the Annual Shareholders' Meeting a resolution to ratify the Shares Issued will be put to the shareholders to allow Arvida to issue more shares of the same class as already quoted on the NZX Main Board. The Board unanimously recommends that shareholders vote in favour of the ratification of the Shares.

Arvida's IPO investment statement described Arvida's strategy to acquire further facilities, and potentially to fund those by share issues. The Board supports the resolution to ratify the Shares Issued as it provides Arvida flexibility over the balance of the twelve month period.

At the date of this notice, Arvida has 273,245,400 shares on issue. It could issue a further 12,206,826 shares under the "20% rule" without shareholder approval (being 20% of the shares currently on issue less the shares already issued). Approval of the resolution would restore the permitted share issue to 54,649,080 shares, although there is no imminent intention to do so. If the resolution is not passed Arvida's ability to issue shares would be limited to the 12.2 million 'headroom' it currently has or other means of raising capital - for example, with shareholder approval or as a 'rights issue'.

If Arvida does issue further shares, then existing shareholders holdings could be diluted if they do not take up any entitlements offered to them.

5. Ernst & Young is automatically reappointed as the auditor of Arvida under Section 207T of the Companies Act 1993. Pursuant to Section 207S of the Companies Act 1993, this resolution authorises the Board to fix the fees and expenses of the Auditor.

By Order of the Board of Directors



Peter Wilson
Chairperson

7 August 2015