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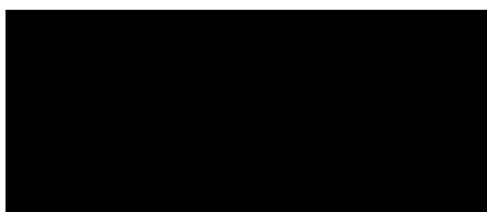
Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 4 June 2020 2:50 pm
To: Will Goodwin
Cc: [REDACTED]
Subject: MET
Attachments: 2902475-7-Updated_Pricing_Considerations.PPT.DRF

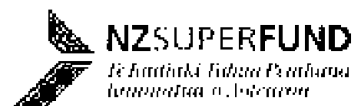
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Will,

Some revised slides for discussion with Stephen. Happy to discuss.



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NZSF reactive messaging Metlifecare AGM 2 October 2020

Scheme approved:

The Guardians of NZ Superannuation is pleased with the strong outcome of today's Metlifecare special shareholder meeting.

"The acquisition by ETQ represents a good opportunity to take the company forward and the exit is a solid return on our investment," says XYZ.

The Guardians acquired 17% of Metlifecare in November 2013 at \$3.53 per share (taking its holding to 19.9% when combined with its existing shareholding).

The Scheme Consideration of NZ\$6.00 per Metlifecare Share represents a 14.9% premium to the last closing price of \$5.22 per share on 3 July 2020 before announcement of APVG's Alternative Proposal on 6 July 2020, and a 18.1% premium to the share price of \$5.08 per share on 19 November 2019 prior to announcement of receipt of the unsolicited non-binding preliminary expression of interest to acquire Metlifecare.

"We invest the NZ Super Fund in a purely commercially manner in order to maximise returns and support the superannuation payments for future generations of New Zealanders. We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the Fund.

"In this case, we believe there is a better use for our capital and agreed with the majority of directors on the board who stated the sale price of \$6 is reasonable when weighed against the uncertainty, disruption and potential risks associated with the SIA Litigation and inherent risk in continuing to operate Metlifecare's business in a COVID-19 environment over a significant period of time."

Scheme rejected:

We're disappointed with the outcome of today's vote but accept the decision of shareholders/accept the process.

It is important to note, we invest the NZ Super Fund in a purely commercially manner in order to maximise returns and support the superannuation payments for future generations of New Zealanders.

We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the Fund, which is why we supported the proposed sale. However, given the outcome we now look forward to Metlifecare's board and management focusing on providing its customers with quality retirement home care.

Q&As

Why did you decide to sell?

Whenever we hold an asset we always assess whether its future returns are better than what we could achieve investing the capital elsewhere, adjusted for all the uncertainty involved in one course of action or another.

In deciding to sell, we've decided that the value offered is as good as the expected future returns on the asset, which come with plenty of uncertainty around demand, house prices, regulatory impost and costs, and that capital can be better invested elsewhere.

Several investment advisors have indicated a target share price higher than \$6, why didn't you hold out for a bigger offer?

The \$6 per share offer represents a 14.9% premium to the last closing price of \$5.22 per share before announcement of APVG's current proposal on 6 July 2020, and a 18.1% premium to the share price of \$5.08 per share on 19 November 2019 prior receipt of the initial expression of interest to acquire Metlifecare.

It is worth noting that Metlifecare has consistently traded at discounts to both net tangible asset value and the average broker target price.

If we were to attempt a sell down on the open market, it is likely we would have to offer a substantial block trade discount on our large holding. If the current deal had not proceeded, and the stock dropped back to pre-offer prices, then we would have to wait for it to hit a trading price of \$6.60 or more, which is approximately what investment advisors have as a price indication, to get equivalent to what is on the table now.

Why are you selling at below Net Tangible Asset value?

It is worth noting that Metlifecare has consistently traded at discounts to both NTA and the average broker target price. We would need to assume that a trend that has perpetuated for some time will now disappear.

(For background) The current \$7.18 NTA comparison is a little bit misleading as we struck our agreement on 10 July whereas the new NTA was only announced on 26 August. The NTA as of 31 December 2019 (the most recently announced as at the time we signed up to the new deal) was \$7.00 per share.

In addition, the new NTA reflects adjustments to prior period deferred tax liability calculations. This meant that the \$7.00 NTA was restated to \$7.41 as at 31 December 2019, and then dropped to \$7.18 as at 30 June 2020. If the restatements hadn't occurred, we would have seen a decrease from \$7.00 to somewhere around \$6.80.

Why did you drop support for the legal action to force EQT to sell at \$7?

The option was to continue with costly and uncertain litigation in New Zealand courts, and then possibly have to pursue in Europe, or take the current offer given the other uncertain considerations. Even assuming a successful court outcome forcing EQT to pay \$7.00 per share, the time taken to potentially receive such compensation clearly impacts the present value of that option.

We agree with the majority of directors on the board who say, "While a difficult and finely balanced decision, the members of the Director Majority consider that the Scheme Consideration of NZ\$6.00 per share, when weighed against the uncertainty, disruption and potential risks associated with the SIA Litigation and inherent in continuing to operate Metlifecare's business in a COVID-19 environment over a significant period of time, and the indicated support of a majority of Shareholders canvassed, is reasonable in all of the circumstances.

But the housing market has bounced back, shouldn't that increase the value?

The Guardians entered into the voting deed on 10 July 2020. In Budget 2020 Treasury was predicting that house prices would fall 6% this year and in late July ANZ tipped a 5-10% reduction with the brunt of the impact occurring at the end of this year and into next.

It is also important to consider that the long term effects of the pandemic remain uncertain and can change quickly, as we've seen to date.

Are you undermining the local capital market?

The NZ Super Fund has grown to be one of New Zealand's largest institutional investors with more than \$7 billion invested locally, and plays a significant role in domestic capital markets. We take our role in New Zealand's economic life very seriously, however that does not mean we will never divest from local assets where we think the capital can earn a better return for taxpayers elsewhere.

Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Tuesday, 29 September 2020 6:51 pm
To: Matt Whineray; Stephen Gilmore
Cc: Cristina Billett; Will Goodwin; [REDACTED]
Subject: Reactive messaging Metlifecare
Attachments: SUPERDOCS-3051049.docx.DRF

Categories: In eDOCS Sent for filing

Hello Matt and Stephen,

As you'll be aware the Metlifecare special shareholder meeting is on this Friday.

We continue to receive media interest on our position on the sale (it's probably the biggest local business story this week). Most recent stories are:

https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12364846

<https://www.stuff.co.nz/business/122914311/metlifecare-shareholders-are-being-urged-to-vote-on-foreign-takeover>

We have developed the attached messaging to respond to these types of enquiries, and to have statements ready in the event the scheme is accepted or rejected. Can you please have a look and let me know if you have any issues. We will (likely) only use reactively.

You'll note in the most recent stories and in the messaging that we have taken a more forceful line defending our position. The wording has had input from Will, [REDACTED] and Cristina.

Thanks,

Conor

Conor Roberts

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Mobile: +64 21 124 6004
Email: croberts@nzsuperfund.co.nz

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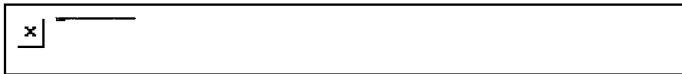
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Robyn Keriazes

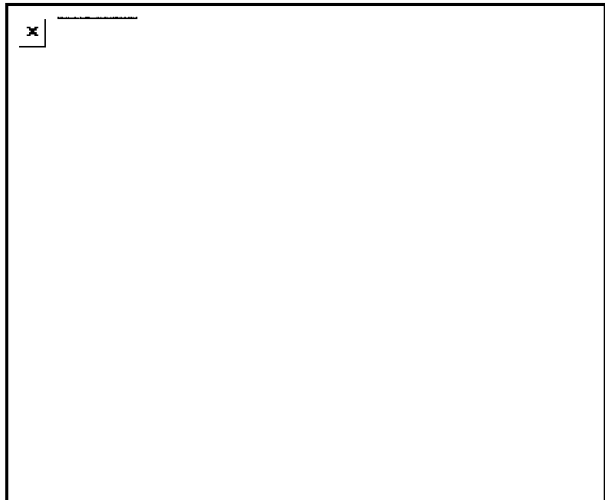
From: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Sent: Friday, 6 November 2020 12:22 pm
To: Will Goodwin
Subject: FW: Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy
Categories: In eDOCS Sent for filing

From: no-reply=businessdesk.co.nz@mail.businessdesk.co.nz <no-reply=businessdesk.co.nz@mail.businessdesk.co.nz> **On Behalf Of** BusinessDesk
Sent: Friday, 6 November 2020 11:26 AM
To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Subject: Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy

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Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy

Published: Fri, 06 Nov 2020

By Staff reporters

Metlifecare's new board has decided to repay the \$6.8 million wage subsidy the company received before it was [taken over by Sweden-based EQT](#).

"The whole Metlifecare team has done an extraordinary job in managing the covid-19 crisis and should be commended for their efforts," new chair Paul McClintock said in a statement announcing the decision.

"While covid-19 has created significant and lasting economic uncertainty globally and in New Zealand, and Metlifecare did qualify for the scheme, EQT and the board has now determined that repaying the wage subsidy is the right thing to do," McClintock said.

EQT representative Ken Wong said: "EQT is very conscious this scheme was put in place by the government to support vulnerable businesses through a period of unprecedented uncertainty.

"Given the valuable work undertaken by all Metlifecare staff through the covid crisis, and the essential nature of all Metlifecare employees, EQT believes that it is in the spirit of the scheme to return the subsidy."

Fellow retirement village operators Ryman Healthcare and Summerset also received a wage subsidy of \$14 million and \$8.7 million respectively.

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From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 13 October 2020 10:57 am
To: [REDACTED]; Will Goodwin; [REDACTED]; Conor Roberts
Subject: RE: JENNY RUTH: The curious case of the abstaining and absent Carolyn Steele

Categories: In eDOCS Sent for filing

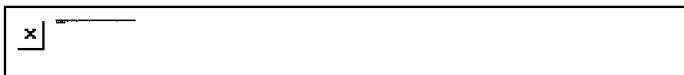
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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 13 October 2020 10:28 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: Fwd: JENNY RUTH: The curious case of the abstaining and absent Carolyn Steele

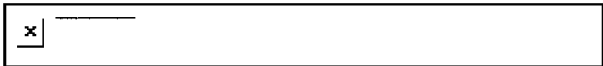
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From: no-reply=businessdesk.co.nz@mail.businessdesk.co.nz <no-reply=businessdesk.co.nz@mail.businessdesk.co.nz> on behalf of BusinessDesk <no-reply@businessdesk.co.nz>
Sent: Tuesday, October 13, 2020 10:00:37 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: JENNY RUTH: The curious case of the abstaining and absent Carolyn Steele

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JENNY RUTH: The curious case of the abstaining and absent Carolyn Steele

Published: Tue, 13 Oct 2020

By Jenny Ruth

There's a reason Metlifecare director Carolyn Steele was paid \$92,500 in the year ended June: she, along with the rest of the board, was supposed to direct.

The law spells out the minimum requirements which include that she "must act in good faith and in what the director believes to be the best interests of the company" and that she "must exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances."

The Institute of Directors has plenty of advice on what directors should do.

"Directors set the vision and long-term goals of the organisation. This includes the strategy to achieve that vision, as well as the monitoring of the strategy implementation," its website says.

Further, it says: "A good board will try to debate an issue from every angle before coming to a decision. A director should be prepared, informed, and ready to debate and think about the strategic future."

None of this even remotely suggests that these rules don't apply when a director represents a major shareholder.

But there are times when a director has a conflict of interest with the course their company might take, such as if the company wished to buy an asset from a director, or interests associated with that director.

Handling conflicts

In such a case, that director should exclude themselves from not only the decision-making, but also all board discussion of the pros and cons.

It was on the grounds of such a conflict of interest that Steele abstained from providing a recommendation to shareholders on Sweden-based EQT's second \$6 per share takeover offer – all Metlifecare's directors, including Steele, had recommended the earlier \$7 per share offer.

The explanation in the second scheme booklet of Steele's position was that "she has an association with NZ Super Fund (as she previously worked as a portfolio manager

at NZ Super Fund and had been appointed as NZ Super Fund's representative on the board.)"

Steele was otherwise engaged so she didn't attend the meeting to vote on EQT's second offer and so was unable to answer a shareholder's question about her position. Steele was also unavailable to be interviewed by BusinessDesk.

However, Chapman Tripp partner Roger Wallis, who had been advising the board on EQT's offer, spoke on her behalf.

He told the meeting Steele "had a clear conflict of interest" and that she had felt it was "inappropriate" for her to make a recommendation, given that the Super Fund had already made its position known to the board "in unequivocal terms."

Letter to the board

The Super Fund had signed an agreement with EQT that it would support the second offer by voting its 19.8 percent stake in favour of the scheme of arrangement.

The Super Fund had also written to Metlifecare's board informing it of this and urging the board to facilitate a shareholder vote on the matter.

In my view, given the Super Fund had clearly stated its position, logic says that Steele didn't feel she could recommend the second offer, but also felt she couldn't recommend against it either because she was the Super Fund's representative on the board.

I asked Wallis if that was a fair reading of her situation, and he said it wasn't.

With the first offer, EQT had sought a unanimous recommendation in favour from the Metlifecare board but only required that a majority of directors support the second offer, Wallis told BusinessDesk.

Four of the six directors did recommend it while chair Kim Ellis recommended shareholders vote against it.

So did Steele not participate in the board's discussions about the second offer?

"She participated in the discussions but didn't feel it was appropriate" to then make a recommendation, Wallis said.

Legally off the hook

Steele had "no obligation in law" to make a recommendation and "these things are matters of judgement," he said.

"It's up to her to decide whether she feels it's appropriate to make a recommendation she was uncomfortable making a decision independent of the major shareholder, the 20 percent shareholder."

The NZ Shareholders' Association, which told its members it would vote any proxies it held against the scheme, said her association with the Super Fund shouldn't have been relevant to her duty to Metlifecare.

"Shareholders have been deprived of knowing how she evaluates the offer, something that is, at the least, far from satisfactory," NZSA said.

As for Steele failing to attend the meeting – and remember, it was a hybrid with many, including BusinessDesk, participating online – she had "a prior commitment that she couldn't break," Wallis said.

That prior commitment had been entered into before the time and date of the Metlifecare meeting was set. "It wasn't easy to schedule a meeting that all of the directors could attend," Wallis said.

Steele was still away when BusinessDesk spoke to Wallis the Wednesday after the meeting, he said, adding that the commitment was unrelated to Metlifecare and that it was school holidays.

Dereliction of duty

All of which has convinced me that my supposition must be correct.

If Steele felt she could have recommended the EQT offer, she would have done so and have been in complete accord with the shareholder she represented, the Super Fund.

That she didn't so recommend can only mean she didn't think the offer was good enough, but didn't want to act against the interests of the Super Fund by recommending that shareholders vote against the EQT offer.

In my opinion, her failure to make a recommendation or to attend the meeting were both a dereliction of her duties as a director, no matter the legality.

One wonders what the shareholders of Green Cross, of which Steele is also a director and which Ellis also chairs, think of her attitude towards Metlifecare.

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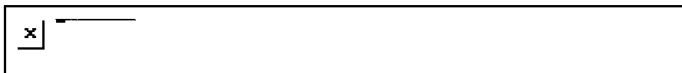
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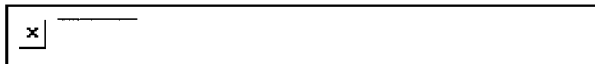
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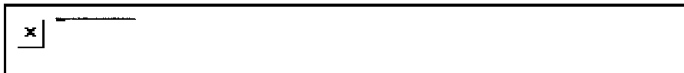
From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 7 October 2020 1:05 pm
To: Will Goodwin; [REDACTED]; Conor Roberts
Subject: FW: Shareholder tries to block Metlifecare sale

Categories: In eDOCS Sent for filing

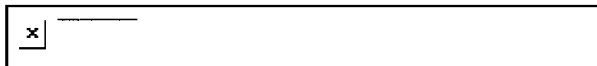
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Sent: Wednesday, 7 October 2020 12:33 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: Shareholder tries to block Metlifecare sale

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Shareholder tries to block Metlifecare sale

Published: Wed, 07 Oct 2020

By Jenny Ruth

A shareholder has lodged an objection with the High Court to Sweden-based EQT's \$1.28 billion scheme of arrangement to take over Metlifecare.

Takeovers Panel chief executive Andrew Hudson confirmed the objection to the \$6 per share scheme was lodged yesterday.

On Friday, shareholders voted to approve the scheme. Of the shares voted, 90.7 percent were in favour and they represented nearly 70 percent of the shares on issue, more than satisfying the legal thresholds for the scheme to succeed.

But nearly 15 million shares were voted against the scheme – they represented 7 percent of the shares on issue.

The scheme approved was the second offered by EQT. It scrapped an earlier \$7 per share offer in April, blaming the impact of the coronavirus crisis.

Hudson said the Takeovers Panel will meet to consider whether to give the scheme a letter of no objection, one of the legal requirements before the High Court approves a scheme.

Their decision will likely be made next week, he said.

The panel's decision will be based on whether there was adequate disclosure and whether it believes shareholders were provided with sufficient information to make an informed decision on whether to approve the scheme.

High Court has the final say

But the court's decision will apply a broader test, including whether a reasonable business person would enter into such a scheme.

"Even if there's a no objection letter, the court still has the ultimate decision," Hudson said.

Metlifecare director Mark Binns, who had chaired the board's litigation committee that had intended to try to hold EQT to its earlier offer, also confirmed the objection had been lodged.

"I've personally had a quick look at it and I don't think there's much to it," Binns told BusinessDesk.

"It's not a substantive shareholder. The number of shares held are de minimus by this person or company," he said.

Binns said the board's legal adviser, Roger Wallis, a partner at Chapman Tripp, had advised it to wait until the deadline for objections passes at 5pm today before advising the market of this development.

"Roger's view is that we're better to wait until the end of the objection period before we say anything."

Wallis confirmed this was his view. Once the deadline passes, "the directors will decide what announcement should be made," he said.

"That material was communicated to the company. I've got a copy and we're working through it. It would be premature to assume this was the only objection."

While the lodging of such an objection is clearly unusual, Wallis said he has personal experience of another similar situation.

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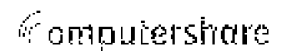
Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 2 October 2020 2:10 pm
To: Conor Roberts; Will Goodwin; Cristina Billett; Matt Whineray; Stephen Gilmore
Subject: RE: undefined - NZ Superannuation Fund

Categories: In eDOCS Sent for filing

76.6% voter turnout, with 90.7% of votes in favour of those that voted.

69.6% votes in favour overall (including non-voted shares)



METLIFECARE LIMITED

Total Voting Rights 213,304,722

Special Meeting - Friday 2 October 2020

Total Votes

Resolution	For	For %	Against	Against %	Total Votes Cast	Abstain
That the ordinary be approved	149,511,418	90.70%	14,961,151	9.14%	164,472,569	28,772,153

Total Votes in Favour 69.63%

This satisfies the requirement of more than 75% of the votes of all Shareholders entitled to vote here and the 1 vote in favour


Interest Class

Voting Rights 213,304,722

Resolution	For	For %	Against	Against %	Total Votes Cast	Abstain
That the ordinary be approved	198,518,918	90.70%	20,861,990	9.14%	219,380,908	28,772,153

This satisfies the requirement of 75% or more of the votes cast by the Shareholders in the Interest Class entitled to vote and voting have cast their vote in favour

Confirmed by an authorized officer of Computershare Investor Services Limited as a true and correct report on the voting outcome


Mark Appender

2-Oct-20

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Friday, 2 October 2020 1:49 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: undefined - NZ Superannuation Fund

Here is Anne Gibson's report from the shareholder meeting

We have not been approached for comment yet

C

From: mediaportal.nz@isentia.com <mediaportal.nz@isentia.com>
Sent: Friday, 2 October 2020 1:40 PM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: undefined - NZ Superannuation Fund

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MEDIAPORTAL ALERT

undefined - NZ Superannuation Fund



(1 item)



Metlifecare proxy shareholders vote 90% in favour of EQT's \$1.27b

02 Oct 2020 01:29 PM • New Zealand Herald
by Anne Gibson

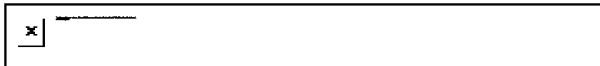
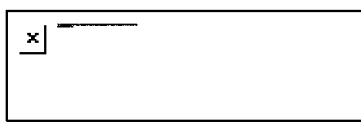
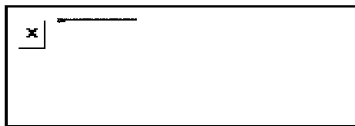
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Brief: Internet NZ - NZ Super • ASR: NZD 32,737 • 1910 words • Market: New Zealand • Item ID: 1342066037 • Sentiment: Not scored

Keywords: leave(2), New Zealand(2), NZ(5), recent(2), report(2), subject(1), Super Fund(3)

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NZSF reactive messaging Metlifecare AGM 2 October 2020

Scheme approved:

The Guardians of NZ Superannuation is pleased with the strong outcome of today's Metlifecare special shareholder meeting.

"The acquisition by ETQ represents a good opportunity to take the company forward and the exit is a solid return on our investment," says XYZ.

The Guardians acquired 17% of Metlifecare in November 2013 at \$3.53 per share (taking its holding to 19.9% when combined with its existing shareholding).

The Scheme Consideration of NZ\$6.00 per Metlifecare Share represents a 14.9% premium to the last closing price of \$5.22 per share on 3 July 2020 before announcement of APVG's Alternative Proposal on 6 July 2020, and a 18.1% premium to the share price of \$5.08 per share on 19 November 2019 prior to announcement of receipt of the unsolicited non-binding preliminary expression of interest to acquire Metlifecare.

"We invest the NZ Super Fund in a purely commercially manner in order to maximise returns and support the superannuation payments for future generations of New Zealanders. We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the Fund.

"In this case, we believe there is a better use for our capital and agreed with the majority of directors on the board who stated the sale price of \$6 is reasonable when weighed against the uncertainty, disruption and potential risks associated with the SIA Litigation and inherent risk in continuing to operate Metlifecare's business in a COVID-19 environment over a significant period of time."

Scheme rejected:

We're disappointed with the outcome of today's vote but accept the decision of shareholders/accept the process.

It is important to note, we invest the NZ Super Fund in a purely commercially manner in order to maximise returns and support the superannuation payments for future generations of New Zealanders.

We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the Fund, which is why we supported the proposed sale. However, given the outcome we now look forward to Metlifecare's board and management focusing on providing its customers with quality retirement home care.

Q&As

Why did you decide to sell?

Whenever we hold an asset we always assess whether its future returns are better than what we could achieve investing the capital elsewhere, adjusted for all the uncertainty involved in one course of action or another.

In deciding to sell, we've decided that the value offered is as good as the expected future returns on the asset, which come with plenty of uncertainty around demand, house prices, regulatory impost and costs, and that capital can be better invested elsewhere.

Several investment advisors have indicated a target share price higher than \$6, why didn't you hold out for a bigger offer?

The \$6 per share offer represents a 14.9% premium to the last closing price of \$5.22 per share before announcement of APVG's current proposal on 6 July 2020, and a 18.1% premium to the share price of \$5.08 per share on 19 November 2019 prior receipt of the initial expression of interest to acquire Metlifecare.

It is worth noting that Metlifecare has consistently traded at discounts to both net tangible asset value and the average broker target price.

If we were to attempt a sell down on the open market, it is likely we would have to offer a substantial block trade discount on our large holding. If the current deal had not proceeded, and the stock dropped back to pre-offer prices, then we would have to wait for it to hit a trading price of \$6.60 or more, which is approximately what investment advisors have as a price indication, to get equivalent to what is on the table now.

Why are you selling at below Net Tangible Asset value?

It is worth noting that Metlifecare has consistently traded at discounts to both NTA and the average broker target price. We would need to assume that a trend that has perpetuated for some time will now disappear.

(For background) The current \$7.18 NTA comparison is a little bit misleading as we struck our agreement on 10 July whereas the new NTA was only announced on 26 August. The NTA as of 31 December 2019 (the most recently announced as at the time we signed up to the new deal) was \$7.00 per share.

In addition, the new NTA reflects adjustments to prior period deferred tax liability calculations. This meant that the \$7.00 NTA was restated to \$7.41 as at 31 December 2019, and then dropped to \$7.18 as at 30 June 2020. If the restatements hadn't occurred, we would have seen a decrease from \$7.00 to somewhere around \$6.80.

Why did you drop support for the legal action to force EQT to sell at \$7?

The option was to continue with costly and uncertain litigation in New Zealand courts, and then possibly have to pursue in Europe, or take the current offer given the other uncertain considerations. Even assuming a successful court outcome forcing EQT to pay \$7.00 per share, the time taken to potentially receive such compensation clearly impacts the present value of that option.

We agree with the majority of directors on the board who say, "While a difficult and finely balanced decision, the members of the Director Majority consider that the Scheme Consideration of NZ\$6.00 per share, when weighed against the uncertainty, disruption and potential risks associated with the SIA Litigation and inherent in continuing to operate Metlifecare's business in a COVID-19 environment over a significant period of time, and the indicated support of a majority of Shareholders canvassed, is reasonable in all of the circumstances.

But the housing market has bounced back, shouldn't that increase the value?

The Guardians entered into the voting deed on 10 July 2020. In Budget 2020 Treasury was predicting that house prices would fall 6% this year and in late July ANZ tipped a 5-10% reduction with the brunt of the impact occurring at the end of this year and into next.

It is also important to consider that the long term effects of the pandemic remain uncertain and can change quickly, as we've seen to date.

Are you undermining the local capital market?

The NZ Super Fund has grown to be one of New Zealand's largest institutional investors with more than \$7 billion invested locally, and plays a significant role in domestic capital markets. We take our role in New Zealand's economic life very seriously, however that does not mean we will never divest from local assets where we think the capital can earn a better return for taxpayers elsewhere.

Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 25 September 2020 11:37 am
To: Conor Roberts; Will Goodwin; [REDACTED]
Subject: RE: The Super Fund missed a trick with Metlifecare

Categories: In eDOCS Sent for filing

Conor and I just had a chat as slightly tweaked the wording – all good for background at this stage.

This doesn't offend the Voting Agreement

Cristina

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 25 September 2020 11:06 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: The Super Fund missed a trick with Metlifecare

Dam beat me to it. A couple additional comments below in red for consideration by the group

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 25 September 2020 10:55 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: The Super Fund missed a trick with Metlifecare

Hey Conor couple of edits from me

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Friday, 25 September 2020 10:45 am
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: The Super Fund missed a trick with Metlifecare

I want to send Tim Hunter the following for backgrounding. It's obviously going to keep coming up, so I want commentators like him to understand our reasoning ahead of the October decision. Any issues with the following?

Hi Tim,

Interesting piece. A few points just for your background consideration:

- The Scheme Consideration of NZ\$6.00 per Metlifecare Share represents a 14.9% premium to the last closing price of \$5.22 per share on 3 July 2020 before announcement of APVG's Alternative Proposal on 6 July 2020, and a 18.1% premium to the share price of \$5.08 per share on 19 November 2019 prior to announcement of receipt of the unsolicited non-binding preliminary expression of interest to acquire Metlifecare.

- The practice is that you don't get a market price on a block trade of 19.9% of the company and ordinarily you could take a discount of 5-15% on a big trade.
- Let's assume if some reason the current deal doesn't proceed, and the stock drops back pre-offer prices, then the stock has to make up that value to \$6, then add another ~10% = which means we need to wait for a \$6.60 trading price (as you note - Craig's target price is \$6.80) to get equivalent to the offer that is on the table now
- Given the comparison is made, it is also worth noting that Metlifecare has consistently traded at discounts to both NTA and the average broker target price. We would need to assume that a trend that has perpetuated for some time will now disappear
- So the option was to continue with costly and uncertain litigation in NZ courts, and then possibly have to pursue in Europe, or take the current offer given considerations above. Even assuming a successful court outcome forcing EQT to pay \$7.00 per share, the time taken to potentially receive such compensation clearly impacts the present value of that option

Hope you are well

Conor

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Friday, 25 September 2020 10:04 AM

To: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: FW: The Super Fund missed a trick with Metlifecare

The Super Fund missed a trick with Metlifecare

The company's chair Kim Ellis has made the right call on a takeover scheme.

By **Tim Hunter**

Fri, 25 Sep 2020



Metlifecare chair Kim Ellis

Before throwing blame or criticism for difficult behaviour it's important to take time to understand how it may be affected by incidents in the past.

The Super Fund, for example, got it in the neck from Metlifecare chair Kim Ellis for agreeing a takeover scheme at \$6 a share before the board had a chance to negotiate a better price.

We'll find out next Friday whether his criticism resonated with other shareholders, but let's just take a moment to consider where the Super Fund is coming from.

Not only has it owned a 20% stake for seven years with little reward, it also had to watch another investor trouser a big gain after just two and a half years.

That's got to hurt.

Metlifecare is one of several retirement village operators listed on the NZX and the Super Fund has been an investor for more than 15 years.

After buying and selling on market several times, in November 2013 the Super Fund took a big gulp with a \$126 million purchase of 35.7 million shares in a placement from an Australian investment fund.

The deal, struck at \$3.53 a share, bumped its holding up to 19.9% – about 42 million shares – a stake it has maintained to this day.

With a takeover now on offer maybe it's natural the Super Fund figures it's time to cash in.

There is also the wincing knowledge it could have walked away with millions years ago.

Fellow investor Infracore bought stock in the same placement, acquiring a 19.9% stake for \$148m.

Cannily, as it now turns out, it offloaded the whole lot in a block trade via Forsyth Barr in April 2017 for \$5.61 a share – a profit of \$90m.

Having missed the boat, the Super Fund must have been mighty relieved when a buyer came along last November in the form of Swedish private equity player EQT Infrastructure.

Unfortunately for NZ Super, events have taken several extraordinary turns since then, which will culminate in next week's shareholder vote to approve, or reject, a scheme of arrangement with EQT at \$6 a share.

The price is not exactly generous. Some would say it's lowball.

Craigs Investment Partners head of institutional research Stephen Ridgewell politely says the price is "on the light side".

The firm values Metlifecare at \$6.80 a share, well north of the \$6 on the table from EQT.

It's worth noting that Metlifecare's net tangible assets were also well north of the offer price at \$7.18 a share as of June 30. In contrast, the four other listed retirement village companies on the NZX trade at a premium to NTA.



Tortuous process

So will the Super Fund's determination to sell be decisive?

Let's look a bit more at how we got to this point.

EQT's initial offer after due diligence was at \$6.50 a share on December 18 – a price the board said at the time was too low.

The board also said it had sounded out institutional investors, including ACC, and concluded most shareholders would not agree to sell at \$6.50.

After some negotiations, on December 30, the board announced it had agreed to support a scheme of arrangement at \$7 a share, valuing Metlifecare at \$1.49 billion.

Then came Covid-19 and EQT backed out in early April saying the pandemic was likely to reduce Metlifecare's NTA by at least \$100m, triggering the material adverse change clause in the scheme agreement.

By this time, some of Metlifecare's shareholders had already sold out to hedge funds such as Maso Capital, buyer of a 5.4% stake, and Millennium Capital with 5.6% – and the new investors were desperate to cut their losses.

Such was their desire to sell, Maso and the Super Fund were among supporters of a move to sue EQT and force it to stand by the \$7 scheme of arrangement.

Perhaps the challenge of litigation dawned, because the same shareholders began lobbying the board to engage with EQT and agree a lower price, threatening to call a vote to roll Ellis as a director if this did not occur.

Ellis appears to have taken a thoroughly practical approach to the increasingly fraught situation and said publicly he was keen to put any reasonable offer to shareholders.

On July 10, Metlifecare announced a new scheme of arrangement with ETQ at \$6 a share, \$213m less than they had agreed back in December.

The Super Fund formally signed up to vote in favour of the new deal, accepting \$42m less for its shares than before.

According to Metlifecare, there was “strong investor support” for the \$6 scheme although “a minority of shareholders have indicated that the transaction price falls below or at the lower end of their own valuation range”.

Market value vs NTA

Company	Net tangible assets	Share price
Ryman Healthcare	\$4.53	\$13.94
Summerset	\$4.91	\$8.62
Arvida Group	\$1.27	\$1.67
Oceania Hlthcare	\$0.95	\$1.04
Metlifecare	\$7.18	\$5.94

Source: NZX; share price

Board split

Normally schemes of arrangement are predicated on board agreement. This time, highly unusually, the board was split.

Four directors – Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass – supported the scheme saying \$6 was better than “the uncertainty, disruption and potential risks associated with [suing EQT’s NZ shell] and inherent in continuing to operate Metlifecare’s business in a Covid-19 environment over a significant period of time”.

Besides, they said, most of shareholders canvassed also though it was a good idea.

Ellis as chair disagreed.

“The unusual ‘fait accompli’ core terms supported by Metlifecare’s largest shareholder [NZ Super] left no opportunity for the board to use the pending litigation to negotiate the offer price up to the \$6.35 valuation midpoint of the earlier Independent Adviser’s report, let alone closer to the original price of \$7.00,” he said.

What’s more, the company’s results reported in late August showed its financial position had not been damaged enough to trigger the material adverse change, he said.

Ellis pointedly referred to the whole board’s previous consistent view that the effects of Covid-19 did not justify EQT backing out of the original \$7 deal.



Metlifecare CEO Glen Sowry, left, and chair Kim Ellis

Views on value

The implication is, in effect, there was no material adverse change and therefore no reason for his four board colleagues to accept \$6 a share.

Ellis is right.

While litigation was a peculiar and probably pointless move given the fact EQT’s bid vehicle has no money itself, there is no way a board could consistently believe both that there had been no material adverse change and that the company was now worth \$213m less than before.

Perhaps the exercise of ensuring shareholders had the option of considering a \$6 offer required some directors to officially support it, but that would be the only justification they could cling to.

The Super Fund and the hedge fund shareholders have their own reasons for wanting a quick and dirty exit. Everyone else should pay close attention to a wide range of views on valuation.

Ridgewell, for example, notes the latest valuation of Metlifecare's property was based on an assumption that property prices would grow over the next five years at between minus 2% and plus 3.5% – a change from the previous year's assumed range of 0-3.5%.

Yet, despite the negative assumption, house prices have in fact roared ahead. The latest Real Estate Institute house price index data for August shows Auckland prices – where Metlifecare's assets are concentrated – up 10.7% on a year earlier.

"The company doesn't need a white knight," says Ridgewell.

"It's got a strong balance sheet and trading conditions are improving. The consensus is the offer is too low."

While wading through the scheme meeting materials, shareholders will also be subjected to a sales call from EQT via Georgeson Shareholder Communications Australia, a branch of Computershare.

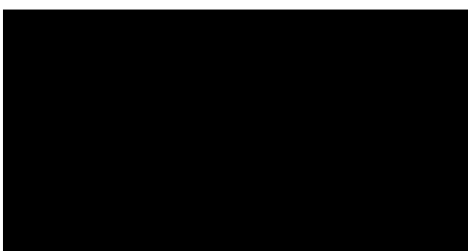
Ironically, EQT has been given access to Metlifecare's share register by the board to conduct pretty much the same exercise as so-called low-ball bidders such as Bernard Whimp – ie, to promote a share offer to retail shareholders.

In this case, the deal has board backing, mostly, but the NZ Shareholders Association has rightly recommended shareholders pay little attention to the solicitation.

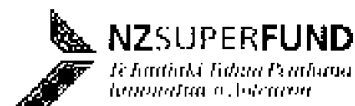
To be approved, the scheme requires 75% of votes cast to be in favour and for that number to be at least half of the shares on issue.

The Super Fund will do what it has to do, but it could be a close run thing.

By **Tim Hunter**



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Date Printed: 23-Sep-20

Last Date Votes were Submitted for the Meeting: 23-Sep-20

Total Number of Ballots Instructed: 1

Total Number of Shares Instructed: 42,363,688

Total Number of Ballots Uninstructed: 0

Total Number of Shares Uninstructed: 0

Metlifecare Limited

MET

Primary CUSIP: Q6070M105

Primary ISIN: NZMETE0001S2

Primary SEDOL: 6584519

Country: New Zealand

Country of Operation: New Zealand

ISS Country of Coverage: New Zealand

Industry Sector: Health Care Providers & Services

Market Cap (USD): 849,900,000.00

ISS Governance QualityScore: 6

Meeting Date: 02-Oct-20

Record Date: 30-Sep-20

Meeting Type: Court

Meeting ID: 1464619

Percentage Votable Shares: 19.87674

Workflow Tag:

Location ID: 3817

Location Name: NEW ZEALAND SUPER FUND

**Earliest Cutoff Date: 30-Sep-20

Voting Policy: NZSuperFund

Most Recent Publish Date: 18-Sep-20

Viewed: No

Total Ballots: 1

Votable Shares: 42,363,688

*Shares on Loan: 0

Shares Instructed: 42,363,688

Item #	Item Description	Proponent	Mgmt Rec	ISS Rec	Policy Rec	Vote Instruction
1	<p>Court-Ordered Meeting</p> <p>Approve Scheme of Arrangement in Relation to the Proposed Acquisition of the Company by Asia Pacific Village Group Limited</p> <p><i>Research Notes: A vote FOR this resolution is warranted after taking into account the following: * The Scheme consideration of \$6.00 per share represents a significant premium to the pre-announcement trading prices of Metlifecare shares. * The Scheme consideration is within Independent Adviser's valuation range of \$5.80 to \$6.90 per Metlifecare share. * The Scheme consideration represents an all-cash offer, so that Metlifecare shareholders will receive certain and immediate value for their shares, and without incurring brokerage or stamp duty costs. * The market reaction post announcement of the APVG Alternative Proposal indicates broad satisfaction with the proposed transaction. * No superior offer has emerged since the APVG Alternative Proposal was announced.</i></p>	Management	For	For	For	For

Institutional Account (name, number)	Custodian Account Number	Account Group	Ballot ID	Control Number	Ballot Ingestion Date	Share-blocking	Ballot Cutoff Date	Ballot Status	Instructed	Approved	Votable Shares	Shares Instructed
NZSF Private Markets Metlifecare 80/20, ZN3117	ZN3117	NZSuperdirect-3817	120711148	6000131411702	08-Sep-20	No	30-Sep-20	Approved	23-Sep-20	23-Sep-20	42,363,688	42,363,688
Total Shares:											42,363,688	42,363,688

Robyn Keriazes

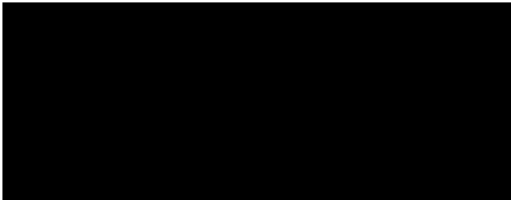
From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 25 September 2020 9:46 am
To: [REDACTED]; Will Goodwin
Cc: [REDACTED]; [REDACTED]; [REDACTED]; Cristina Billett
Subject: RE: Metlifecare News

Categories: In eDOCS Sent for filing, In eDOCS, #3104671

Hi [REDACTED]

Who in the communications team have you been working with on the EGM and related media coverage?
Do we have a Q&A?

Thanks [REDACTED]



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Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz



From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 23 September 2020 11:08 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Metlifecare News

Hi [REDACTED],

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Please let us know once the vote has been cast / received as I will provide a courtesy notice to EQT's lawyers that we have undertaken our responsibilities under the Voting Deed.

Regards,
[REDACTED]

From: [redacted] <[redacted]@nzsuperfund.co.nz>
Sent: Monday, 21 September 2020 12:08 PM
To: Will Goodwin <[redacted]@nzsuperfund.co.nz>; [redacted] <[redacted]@nzsuperfund.co.nz>
Cc: [redacted] <[redacted]@nzsuperfund.co.nz>; [redacted] <[redacted]@nzsuperfund.co.nz>
Subject: RE: Metlifecare News

Hi Both

Please confirm you are happy to instruct a FOR vote in support of the ESG resolution for Metlifecare.

Thank you

[redacted]

[redacted]

PO Box 106 607, Auckland 1143, New Zealand
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Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz



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Hi [redacted]

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[redacted]

[redacted]

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Subject: FW: Metlifecare News

[REDACTED]

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Cheers

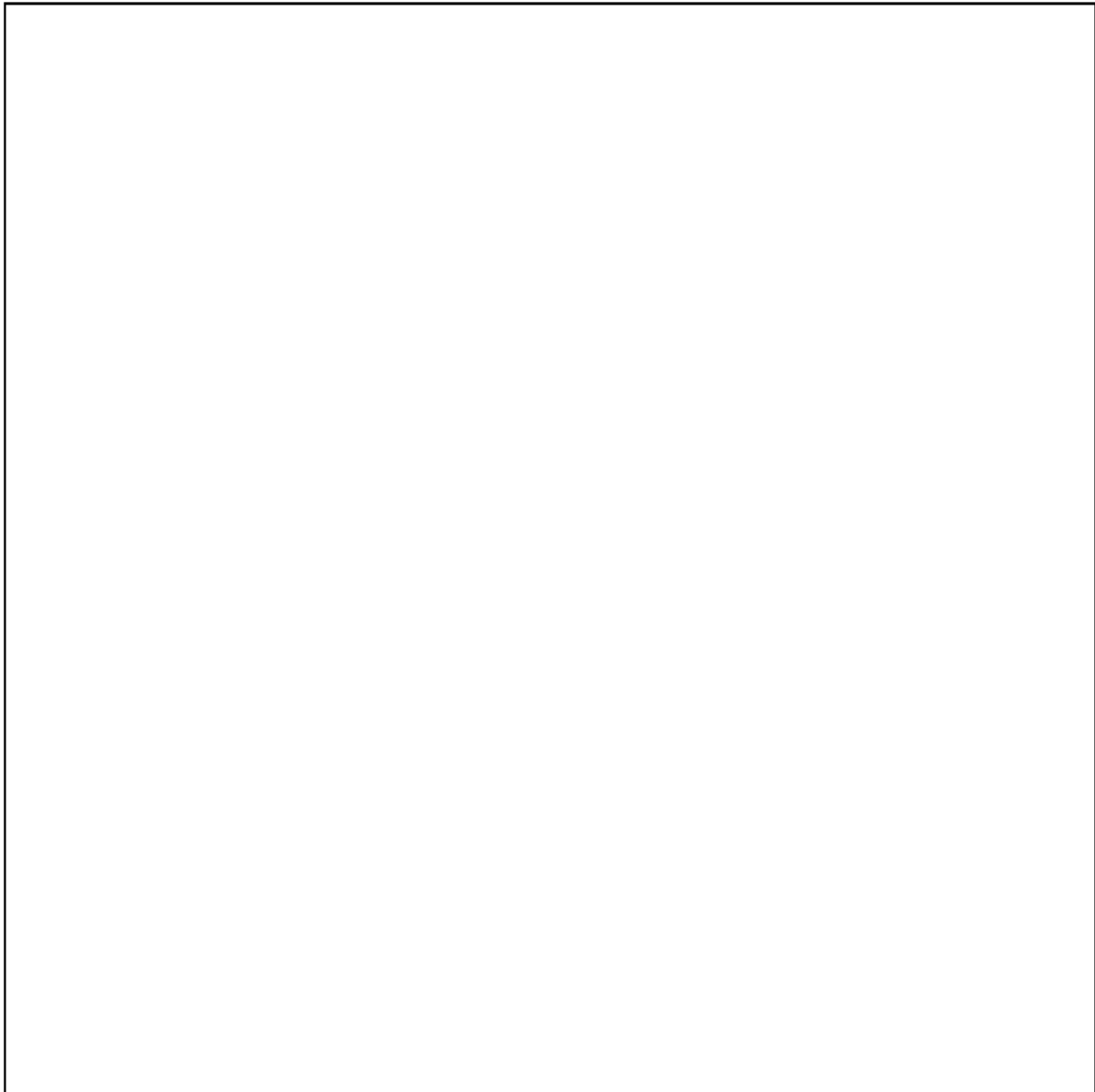
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MEDIA RELEASE

14 September 2020

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100% of Metlifecare.

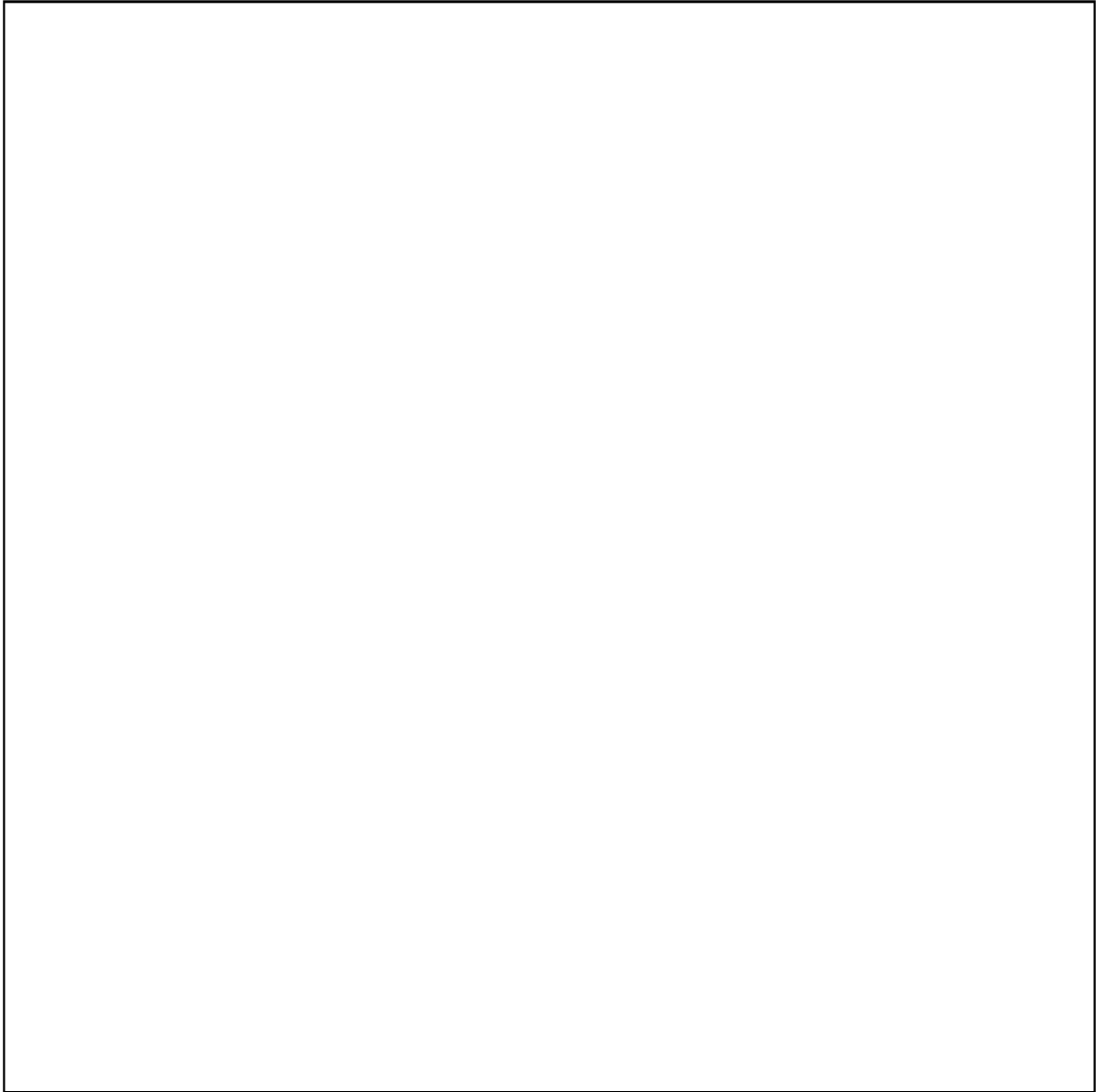
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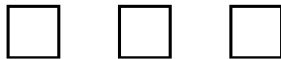
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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 24 September 2020 10:23 am
To: [REDACTED]; Will Goodwin
Cc: [REDACTED]; [REDACTED]; [REDACTED]; Cristina Billett
Subject: RE: Metlifecare News
Attachments: 3046792-1-Metlifecare_Limited_Vote_Confirmaiton_Report_EGM_02-10-_2020.PDF.DRF

Categories: In eDOCS Sent for filing, In eDOCS, #3104672, #3051922, #3046794

Hi [REDACTED]

Please find attached the Confirmation Report.
I will also ask ISS to track this through the system.

Let me know if the report is sufficient for your purposes.

Kind Regards

[REDACTED]

[REDACTED]

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[redacted]

[redacted]

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Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: Metlifecare News

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Will

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Sent: Monday, 14 September 2020 8:37 am

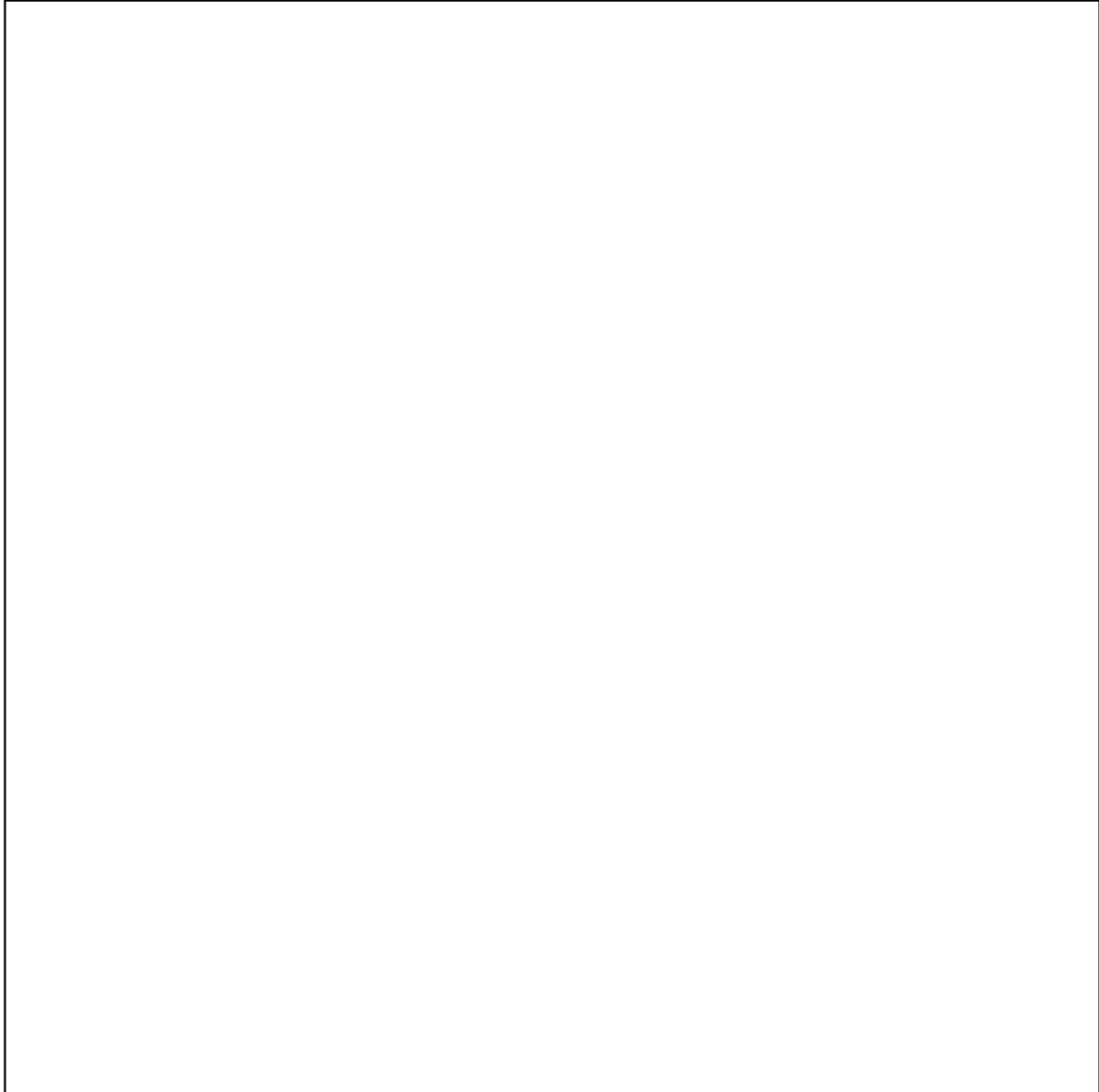
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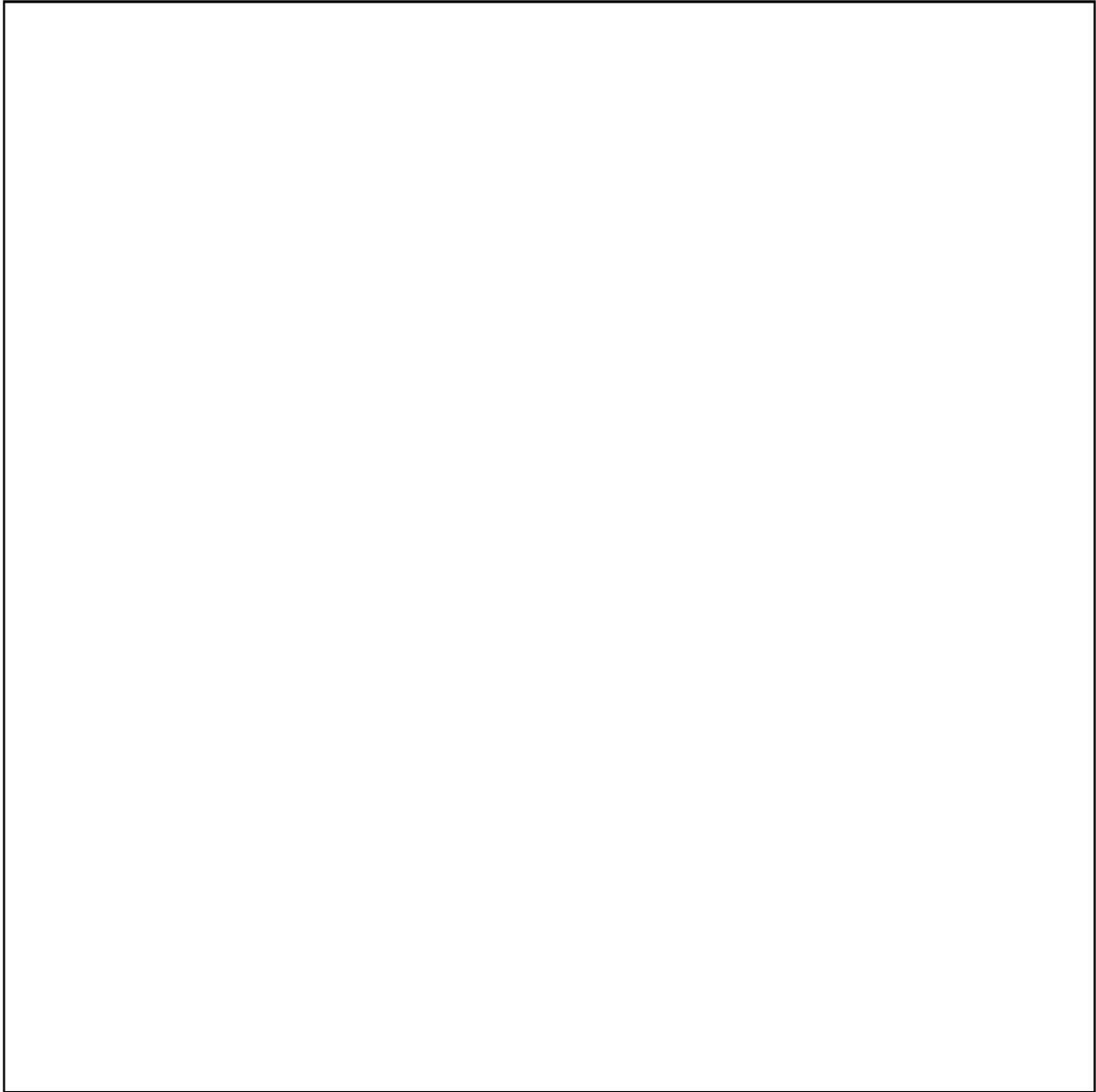
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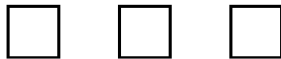
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▪

Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 23 September 2020 11:23 am
To: [REDACTED]; Will Goodwin
Cc: [REDACTED]; [REDACTED]; [REDACTED]; Cristina Billett
Subject: RE: Metlifecare News

Categories: In eDOCS Sent for filing, In eDOCS, #3104673

Thank you [REDACTED].
That is clear. I will revert once instructed.

[REDACTED]

[REDACTED]

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Sent: Monday, 21 September 2020 12:08 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Cc: [redacted] <[redacted]@nzsuperfund.co.nz>; [redacted] <[redacted]@nzsuperfund.co.nz>

Subject: RE: Metlifecare News

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[redacted]

[redacted]

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Sent: Tuesday, 15 September 2020 1:14 PM

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Cc: [redacted] <[redacted]@nzsuperfund.co.nz>; [redacted] <[redacted]@nzsuperfund.co.nz>

Subject: RE: Metlifecare News

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Thank you

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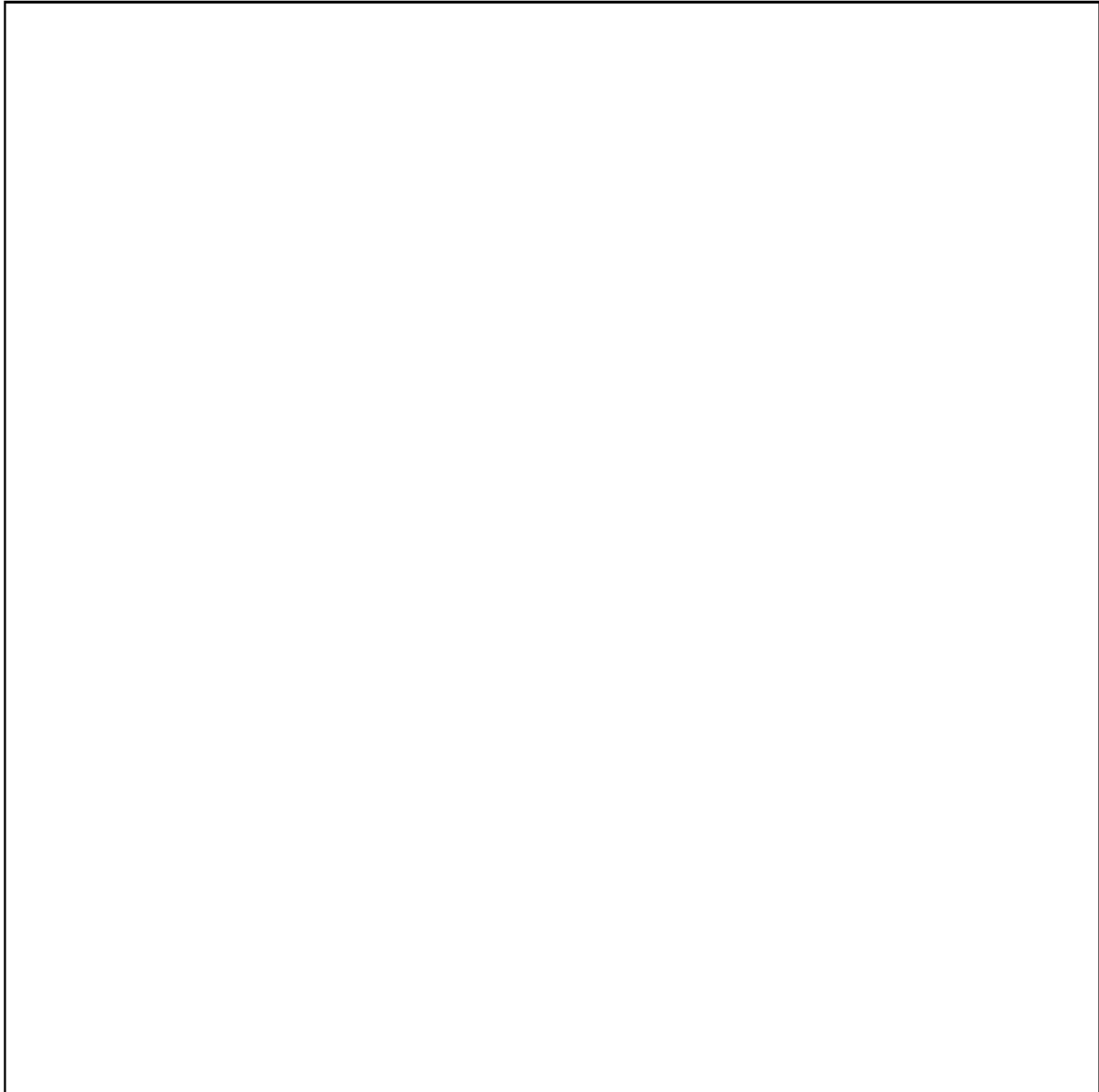
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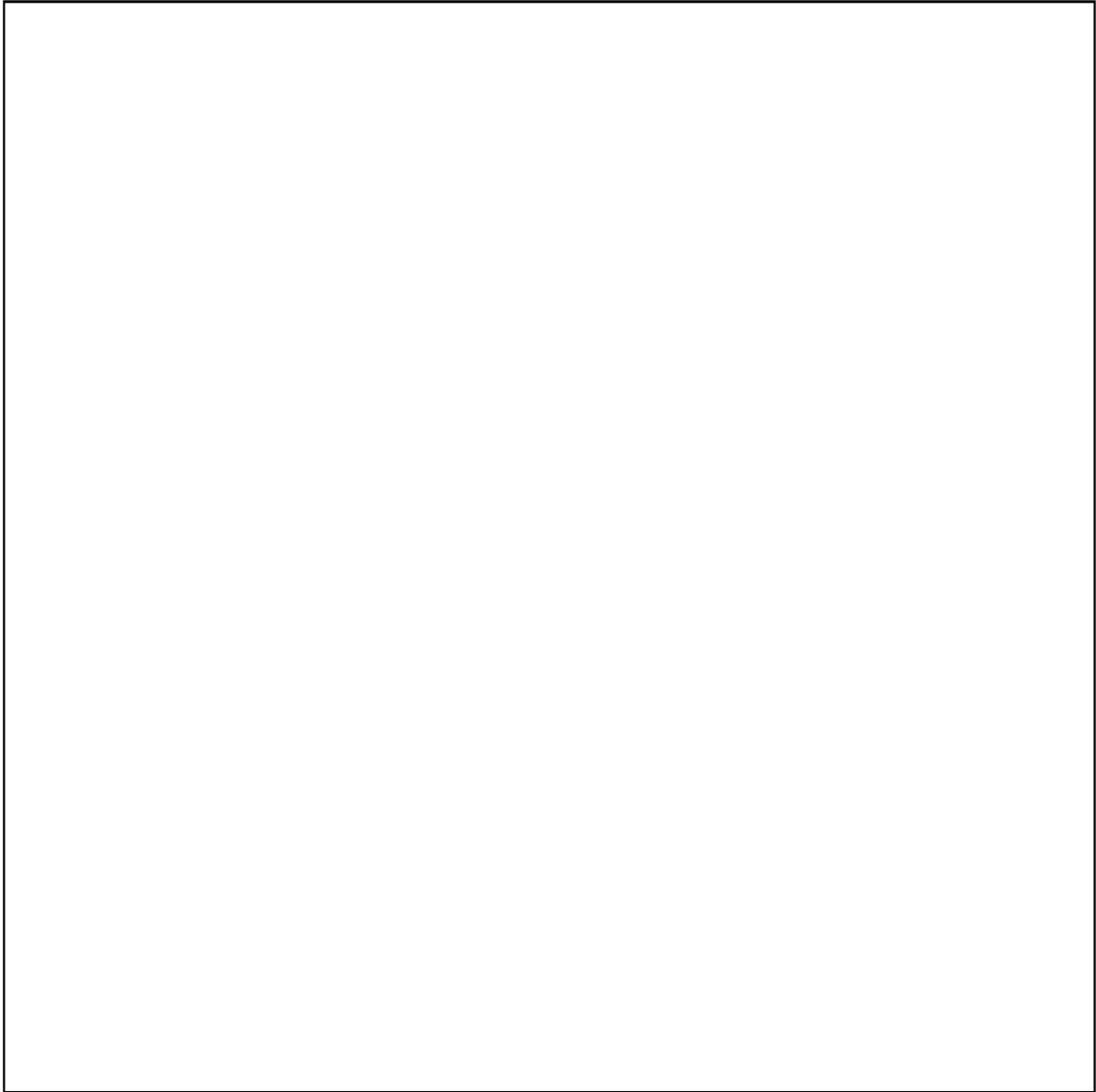
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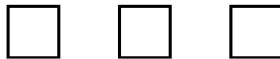
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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 23 September 2020 8:29 am
To: Will Goodwin; Cristina Billett
Cc: [REDACTED]; [REDACTED]
Subject: FW: Metlifecare News

Categories: In eDOCS Sent for filing, In eDOCS, #3104676

Will, Cristina,

Am about to give [REDACTED] the greenlight to get the process rolling on the vote. I see no reason to delay this any further + would prefer to get it out the way this week to avoid any rush to do it early next.

Cristina – also wanted to confirm my understanding that other than the FOR vote, we aren't required to do anything else (e.g. provide confirmation to EQT etc) – I will also email Joe W shortly to confirm with him as well.

If either of you had a different view, can you let me know by 11am.

Regards,

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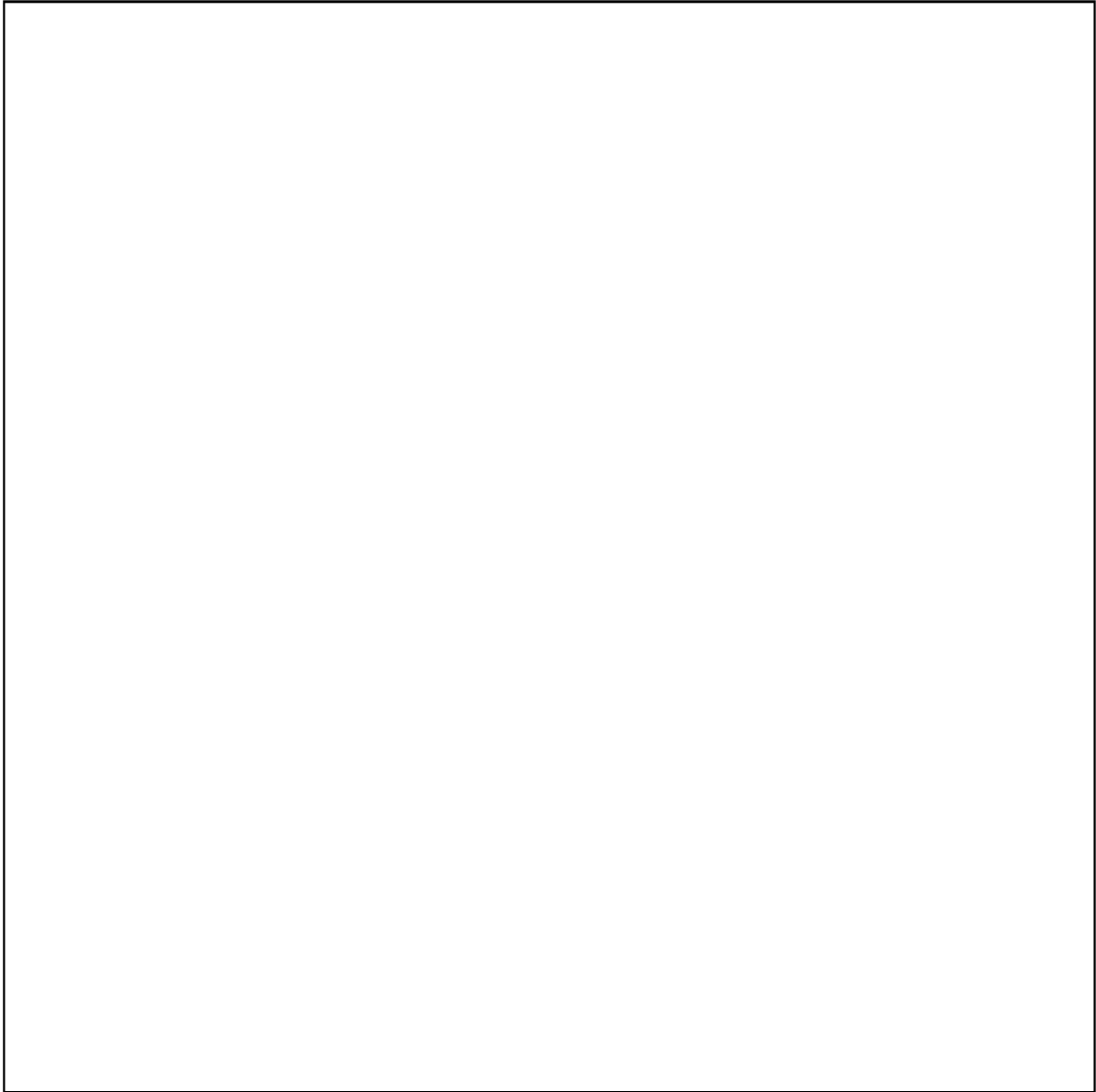
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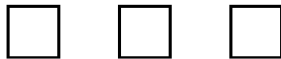
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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Friday, 18 September 2020 7:36 am
To: Will Goodwin; [REDACTED]; [REDACTED]
Subject: Fwd: NZSA will vote proxies against Metlifecare takeover

Categories: In eDOCS Sent for filing, In eDOCS, #3098396

FYI

Conor Roberts
NZ Super Fund
Senior Communications Strategist
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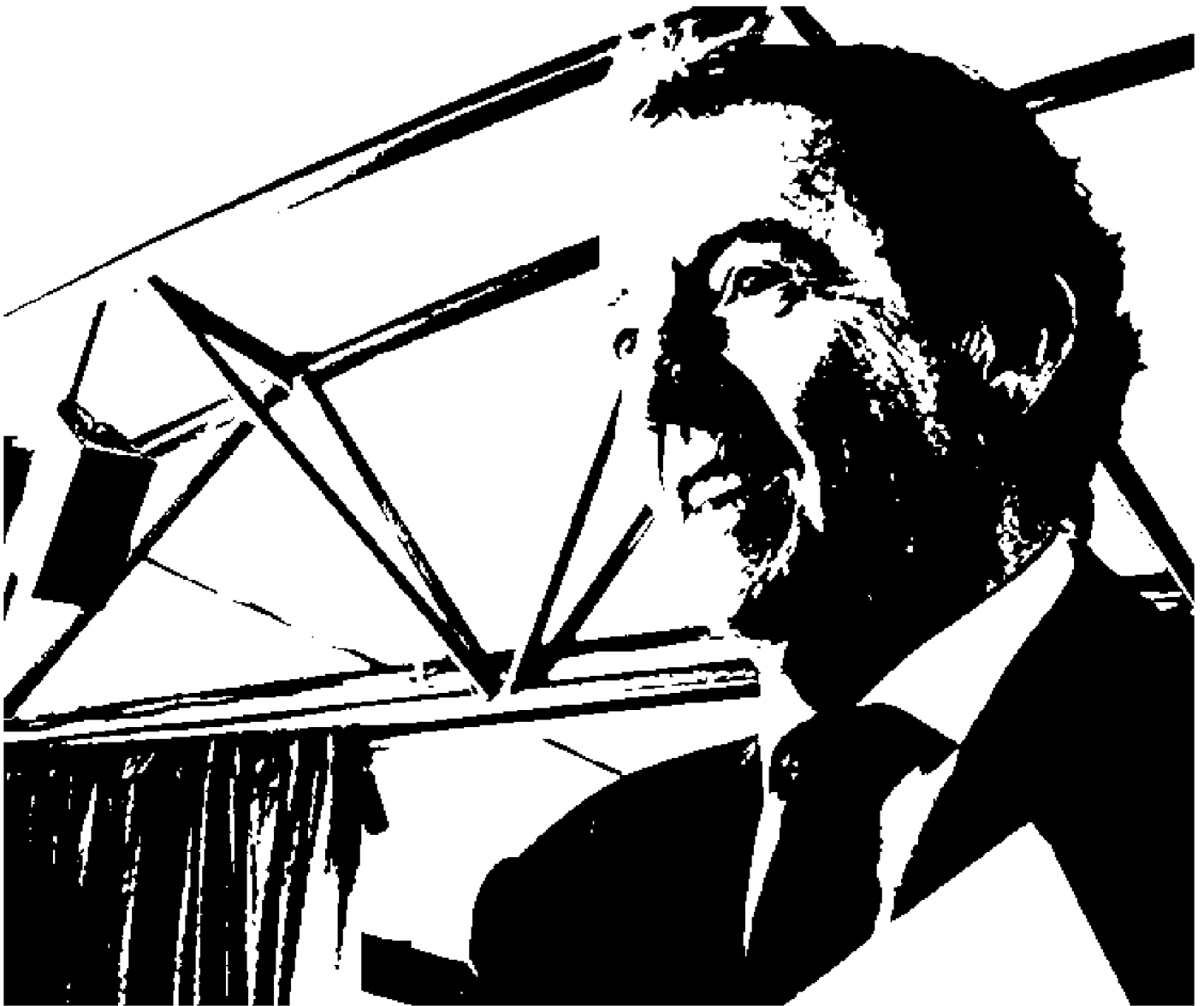
From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, September 18, 2020 7:27:02 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: NZSA will vote proxies against Metlifecare takeover

NZSA will vote proxies against Metlifecare takeover

Shareholder group criticises most of Metlife's board and NZ Super for pushing the deal.

By **Calida Stuart-Menteath**

Thu, 17 Sep 2020



NZSA chief executive Michael Midgley

The NZ Shareholders' Association does not support the takeover of Metlifecare, and will direct proxy votes against the scheme of arrangement.

Shareholders are due to vote on the takeover by Asia Pacific Village Group – a subsidiary of Switzerland's EQT Infrastructure – at midday on October 2 at an online meeting (with a physical meeting in Auckland if Covid-19 restrictions ease).

For the scheme to succeed, more than 75% of the votes cast and more than 50% of the total number of Metlifecare shares on issue must be voted in favour.

Retail shareholder group NZSA – which is chaired by Tony Mitchell with Michael Midgley its chief executive – said this afternoon it will vote any undirected proxies it holds against the scheme.

This is because the offer, at \$6 a share – down from \$7 in the original scheme agreement made in December – is below the current net tangible assets per share (about \$7.18) and below the \$6.35 mid-point of the independent valuation.

The independent valuation – by Calibre Partners – is the same as at the first proposal, yet in the interim the average share price of the four other companies in the sector has lifted more than 14%.

“Even though the shares have been trading at a significant discount to NTA shareholders might reasonably expect, in a takeover situation, that a higher price, close to NTA, is appropriate. Shareholders may wonder whether they are being offered a sufficient premium for control,” NZSA said.

The shareholder group argued the company has a solid future and does not need to be rescued or bailed out and the offeror obviously sees value in the company.

“Many commentators have said the share price will drop if the offer does not proceed. However, although the price fell last time, that was because of Covid-19 and hedge funds dropping the stock.

“At least one analyst is now saying that though the price may fall if the scheme does not succeed, they expect that any fall will be lower than last time. Such a fall may well be short-term in nature as it will be largely driven by hedge funds once again bailing out.”

It also noted directors were not unanimous in supporting the scheme – chairman Kim Ellis will vote against it – and wondered whether the board had performed to the standard shareholders expected.

“Why would directors recommend this offer for a profitable company which, despite having been the retirement sector laggard, has now actually outperformed its own expectations?

“Many investors will have bought in to Metlifecare because they saw it as better value than its listed comparators. If the company is sold, current investors will lose the opportunity to see this value gap close.”

NZ Super helping ‘gut’ the capital market

NZSA also did not see the rationale for 19.9% shareholder NZ Super Fund to support the deal, when the government was keen to see it invest more locally.

“If [NZ Super] has a long term view then it should be nurturing and helping businesses that do real things instead of effectively aiding the progressive gutting of the local capital market.”

The group also criticised the use of a scheme to structure the deal, and said inequality of information among the parties is a major drawback and retail investors are disadvantaged.

“Schemes are loaded in favour of predatory investors who can, in a range of circumstances, exert pressure on boards. The lower threshold than for takeovers enhances that power to the serious disadvantage of retail and long-term investors.”

NZSA warned against a possible solicitation for proxy votes.

APVG has engaged Georgeson Shareholder Communications Australia to help solicit proxy votes in favour of the scheme, and shareholders may be telephoned by this company.

“We suggest you do your own research rather than rely on advice from the group attempting the takeover.

“The fact that the bidder is actively soliciting support from shareholders with even relatively small numbers of shares indicates that its confidence is not absolute.”

Disagreement on the board

Metlifecare chairman Kim Ellis

APVG attempted call off the original deal by claiming a material adverse change (MAC) due to Covid-19 – Metlife’s board disagreed and threatened costly litigation.

Earlier this month, chairman Ellis recommended shareholders vote against the scheme and said the NZ Super Fund tied the board’s hands from negotiating a higher price.

The super fund voiced its support for the new \$6 offer – on the basis of no litigation and no MAC offer – after it was presented on July 5.

But Ellis believed the company had a strong case for litigation, backed by its full-year results announced on August 26, which he said showed the MAC financial thresholds from the original scheme agreement would not have been triggered – despite APVG’s assertions to the contrary.

A majority of the Metlifecare board – Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass – recommend shareholders vote in favour of the scheme, in the absence of a superior proposal. These directors will vote all shares they hold or control in favour.

They decided in favour of the scheme, as “while Metlifecare’s legal advice indicated the original scheme litigation had undoubted merit, the matter was not clear cut and the path through to obtaining a favourable final judgment and then successful enforcement would have been difficult and could have taken some years to fully resolve.”

They said if the initial \$7 offer was discounted at an appropriate rate for the uncertainties and disruption involved and the time involved to obtain a favourable final judgment then enforce it, then a rational shareholder could accept \$6 to recognise the risks and time value of money associated with Metlifecare continuing a legal battle.

Director Carolyn Steele abstained from making a recommendation, given her previous association with the NZ Super Fund, Metlifecare’s largest shareholder. (NZSA said this should not be relevant, as now her duty is to Metlifecare.)

The company made an after-tax loss of \$33.7 million in the year to June 30, down 166% on last year’s profit of \$51.2m, on dampened property revaluations due to Covid-19. Its underlying profit before tax – which strips out the fair value movement of property and other impairments – was \$98.3m, flat on 2019.



No guidance was provided for the first half of 2021 and no dividend was declared, in line with the terms of the takeover agreement.

Metlifecare, established in 1984, has more than 5600 residents. It owns and operates 25 villages, predominantly located in the upper North Island.



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Sent: Friday, 4 September 2020 4:09 pm
To: Catherine Etheredge; Will Goodwin; [REDACTED]; [REDACTED]
Subject: RE: JENNY RUTH: Playing hardball with Metlifecare valuations

Categories: In eDOCS Sent for filing, In eDOCS, #3100626

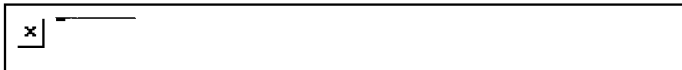
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From: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Sent: Friday, 4 September 2020 10:32 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: FW: JENNY RUTH: Playing hardball with Metlifecare valuations

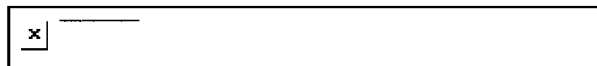
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Subject: JENNY RUTH: Playing hardball with Metlifecare valuations

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JENNY RUTH: Playing hardball with Metlifecare valuations

Published: Fri, 04 Sep 2020

By Jenny Ruth

Value, like beauty, is in the eye of the beholder, or at least that's what it looks like when considering Sweden-based EQT's takeover offer for Metlifecare.

EQT wants to convince Metlifecare shareholders their shares are worth \$6 now, 50 cents lower than it was offering on Dec.19 last year and \$1 less than the \$7 it was persuaded to offer by Dec. 30 — and that's all because of the impact of the coronavirus crisis.

KordaMentha, now Calibre Partners, has valued Metlifecare twice this year and came up with the same valuation range both times: \$5.80 to \$6.90, which is remarkable given EQT's arguments about loss of value.

Before the majority of Metlifecare's board caved and recommended the new \$6 offer, the company had launched legal action to try to force EQT to stick to its original offer, but EQT made settling the legal action part of its new offer.

The New Zealand Superannuation Fund, which owns 19.9 percent of Metlifecare, essentially forced the issue by deciding to accept EQT's offer, leaving directors little option.

EQT had invoked the material adverse change clause in its December agreement with the board as grounds to scrap that \$7 per share deal.

The trigger for that MAC clause was some event that was likely to reduce Metlifecare's net tangible assets (NTA) by at least \$100 million, or cause its underlying net profit to fall 10 percent or more.

That the second condition was not met is easy to establish: Metlifecare's latest underlying result for the year ended June was only marginally lower than the previous year.

The first condition wasn't met either: independent valuer CBRE shaved \$74.8 million off its valuation of Metlifecare's villages, which had the effect of reducing the NTA of Metlifecare's shares to \$7.18 at June 30.

A year earlier, CBRE had increased the value of the villages by \$53.9 million, a gain just as unrealised as this year's loss.

A complication

Complicating the picture somewhat, changes in the company's deferred tax liability, in part because of the government's reintroduction of depreciation in response to the covid crisis, meant net tangible assets per share was re-based to \$7.41 at June 30 last year from the previously reported \$6.96.

The hard number here was the earnings. That's a much more difficult number to manipulate than a valuation. When it comes down to it, a valuation is just somebody's opinion.

And that's the thing to remember about both Calibre's and CBRE's valuations: they're only somebody's opinion, albeit informed and educated, and the assumptions one makes are critical – change the assumptions, and you get a completely different outcome.

There used to be a joke about going shopping for the valuer that would give you the answer you wanted.

These days, independent advisers have to be approved by the Takeovers Panel in both traditional takeovers and schemes of arrangement.

"The panel must be satisfied that the adviser is independent of all parties to a takeover or company transaction and competent to write the report," according to the panel's website.

And listed companies like Metlifecare also need NZX to approve their choice of independent adviser.

CBRE clearly found its task difficult because it reported on the basis of "material valuation uncertainty," meaning less certainty and a higher degree of caution should be applied to its valuation because of the covid-19 pandemic, according to Metlifecare's annual accounts.

"CBRE noted that the full scale of the impact as at the point of time of the valuation was unknown and will largely depend on the scale and longevity of the pandemic and the consequential ongoing impact on the economy with limited market evidence since the outbreak," the accounts said.

Significant and unobservable

CBRE's valuation included cash flow analysis "using inputs that are significant and unobservable."

For example, among the assumptions CBRE made was that house prices would either fall 2 percent or rise 3.5 percent annually over a cash flow period out to five

years, and that compound growth over a cash flow period longer than five years would be between 2.5 percent and 3 percent.

A year earlier, CBRE had assumed prices would be flat to rising 3.5 percent annually over the first five years and would rise by between 2.6 percent and 3.1 percent a year over a longer-than-five-year period.

CBRE also had to make assumptions about how long Metlifecare's residents would live – residents don't buy homes within the villages, they buy the right to occupy their homes and the amounts they pay is refundable, less any fees and other costs owed to Metlifecare.

Metlifecare then refurbishes the property for sale to a new resident.

Metlifecare included tangible assets only in its accounts – the accounts note that goodwill of \$11.2 million attached to its care home assets included in CBRE's valuation wasn't recognised.

While CBRE was valuing Metlifecare's properties, Calibre's job was valuing its shares and it had the benefit of CBRE's valuations and its valuation date was a little later at Aug. 25.

Like CBRE, it grappled with the outlook for house prices noting a range of five bank economists forecasting falls this year between 4.7 percent and 7 percent – two of the economists, ASB and Westpac, have more recently pared their expectations back to falls of 2.8 percent and 2.5 percent respectively.

More resilient

That's because house prices have proved more resilient than expected so far; in July, house prices were 9.4 percent higher than a year earlier nationwide and 9.2 percent higher in Auckland.

Calibre also noted management's view that demand for retirement village units is less dependent on price than for houses generally.

Metlifecare's portfolio is skewed to Auckland with 63 percent of its villages located there and Calibre noted Auckland needs nearly 30,000 new homes to meet current demand.

Calibre valued the shares using three different methods, discounted cash flow producing a range of \$5.71 to \$7.07, capitalising the earnings coming up with \$5.89 to \$6.75 and then used analysis of Metlifecare's book value as a cross check, resulting in a \$6.58 to \$6.90.

The latter included looking at CBRE's work and adjusting it for the value associated with its development operations as well as its head office costs, "both of which are excluded from the valuations that underpin the book values of Metlifecare's assets."

It further noted that while other retirement village operators have price-to-net-asset multiples that are higher than Metlifecare's, "these entities have generally undertaken more development activity than Metlifecare, which has resulted in higher earnings growth."

Metlifecare has 10 sites for future development and Calibre noted: "Since 2015, Metlifecare has had a broad refresh of personnel throughout its development operations, sales and marketing teams, as well as the appointment of Glen Sowry as CEO in 2016 and Richard Thomson as CFO in 2017."

Investors' views

But investors have judged Metlifecare still has a way to go to convince them it has the development side of the business operating as it should.

And speaking of investors, they give a verdict on their view of value every day through the prices Metlifecare shares trade at on NZX – any valuer will tell you, though, market pricing doesn't include a premium for control of the company.

The shares fell as low as \$3.16 in April once the coronavirus crisis erupted and EQT signalled it would call off the earlier deal.

The last trading day, July 3, before the prospect of a new EQT offer was announced, the shares ended at \$5.22.

Calibre noted the new offer was a 14 percent premium to that price as well as a 26.3 percent premium to the volume-weighted average price in the month ended July 3 and a 46.7 percent premium to the VWAP in the three months ended July 3. It was just a 7.3 percent premium to the VWAP in the 12 months ended July 3.

However, the latter was distorted by the impact of EQT's earlier offer, just as the other prices were distorted by the impact of both EQT pulling that offer and the pandemic setting in.

But whatever their views on valuation, Metlifecare shareholders have to grapple with the fact of a bidder playing hardball and a major shareholder, the Super Fund, effectively the nation's sovereign wealth fund, deciding to support the bidder rather than seeking a better deal for their fellow shareholders.

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From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Tuesday, 20 October 2020 6:21 pm
To: Will Goodwin; [REDACTED]; Cristina Billett
Subject: Fwd: Metlifecare takeover gets court approval

Categories: In eDOCS Sent for filing, In eDOCS, #3098378

Hi team

If we get asked about this I propose to provide a slightly reworked version of the last set of comms we produced on the matter:

-

The Guardians of NZ Superannuation is pleased with the outcome of the court process.

“The acquisition by ETQ represents a good opportunity to take the company forward and the exit is a solid return our investment,” says Chief Investment Officer Stephen Gilmore.

“We invest the NZ Super Fund in a purely commercially manner in order to maximise returns and support future superannuation payments for New Zealanders. We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the Fund.

“In this case, we believe there is a better use for our capital and agreed with the with the majority of directors on the board who stated the sale price of \$6 is reasonable when weighed against the uncertainty, disruption and potential risks associated with the previous litigation and inherent risk in continuing to operate Metlifecare’s business in a COVID-19 environment over a significant period of time.

“Whenever we hold an asset we always assess whether its future returns are better than what we could achieve investing the capital elsewhere, adjusted for all the uncertainty involved in one course of action or another.

“In deciding to sell, we’ve decided that the value offered is as good as the expected future returns on the asset, which come with plenty of uncertainty around demand, house prices, regulatory impost and costs, and that capital can be better invested elsewhere.”

The Guardians acquired 17% of Metlifecare in November 2013 at \$3.53 per share (taking its holding to 19.9% when combined with its existing shareholding).

The Scheme Consideration of NZ\$6.00 per Metlifecare Share represents a 14.9% premium to the last closing price of \$5.22 per share on 3 July 2020 before announcement of APVG’s Alternative Proposal on 6 July 2020, and a 18.1% premium to the share price of \$5.08 per share on 19 November 2019 prior to announcement of receipt of the unsolicited non-binding preliminary expression of interest to acquire Metlifecare.

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Metlifecare takeover gets court approval

Published: Tue, 20 Oct 2020

By Victoria Young

A High Court judge has approved the takeover of Metlifecare by EQT’s Asia Pacific Village Group, meaning the rest home operator will be delisted on Nov. 3.

“Taking all relevant factors into account ... I consider the scheme was one that an intelligent business person could reasonably support. Those factors also mean it is fair and equitable that the scheme be permitted to proceed,” Justice Graham Lang said in a 22-page judgment.

The ruling delivered this afternoon means Metlifecare shareholders who do not wish to participate in the \$6 per share scheme must sell their shares before the close of trading on Oct. 23.

The shares are currently trading at \$5.98.

The \$1.32 billion deal had been delayed following the filing of a notice of opposition in the High Court at Auckland by shareholder Craig Priscott through his company ResIL.

However, he withdrew his opposition after the deal gained Takeovers Panel approval.

Priscott had presented the court with a report from Campbell MacPherson suggesting the analysis by independent assessors Calibre Partners used stale information and didn't publish key assumptions underpinning valuations.

But the judge said "given the number and breadth of the complaints made about Calibre Partners' methodology one would expect the Campbell MacPherson report to conclude that the Calibre Partners report significantly undervalued Metlifecare shares."

However, it didn't suggest a different range and the judge said it had a "surprisingly benign conclusion."

"Shareholders in Metlifecare were obviously entitled to feel disappointed that they were not going to realise the premium available under Asia Pacific's earlier offer. Some would also undoubtedly have shared Mr Priscott's view that the directors should have pursued the litigation against Asia Pacific, notwithstanding the delay and continued uncertainty it involved," the judge noted.

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To: [REDACTED]; Cristina Billett; Sarah Owen; Catherine Etheredge; Will Goodwin
Subject: Fwd: Metlifecare court hearing on takeover delayed

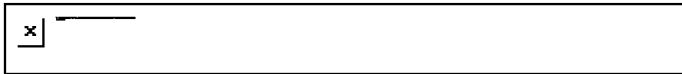
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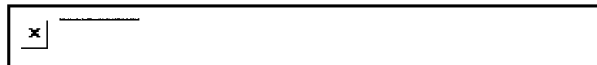
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Metlifecare court hearing on takeover delayed

Published: Wed, 14 Oct 2020

By Victoria Young

The \$1.28 billion Metlifecare takeover by Swedish firm EQT has hit yet another snag as the High Court at Auckland has delayed its hearing on whether the deal can proceed.

The move follows the Takeovers Panel's decision to defer a statement on whether it believes the deal should go ahead.

Shareholders have already approved the \$6 per share offer, which replaced an earlier \$7 per share offer after EQT withdrew, claiming the coronavirus crisis represented a material adverse change.

The Overseas Investment Office greenlighted the deal back in September.

However, the arrangement still requires Takeovers Panel and High Court approval.

On Oct. 13, Metlifecare told the NZX the Takeovers Panel had deferred its decision because of the notice of opposition by shareholder Craig Priscott, who holds shares through Resil Investments.

Priscott has told BusinessDesk that Metlifecare failed to publish key assumptions underpinning various valuations and forecasts and much of this information was "stale."

Resil's notice of opposition dated Oct. 6 states the scheme has not been fairly put to shareholders.

It states two affidavits have been filed in to support it, one from Priscott and another from Jai Basrur. Basrur is a director of CGB Consulting.

Court delay

On Tuesday, Metlifecare said it would continue to try and get High Court approval at a hearing on Oct.15.

However, today Justice Graham Lang issued a minute advising affected parties tomorrow's hearing is off, and will now take place on Oct. 20.

"The reason for the adjournment is that the court wishes to take into account the views of the Takeovers Panel regarding the adequacy of the material provided by Metlifecare prior to the meeting of shareholders held on 2 October 2020," his minute said.

Metlifecare acknowledged on Tuesday the delay in the Takeovers Panel decision could delay the deal, meant to be implemented on Oct. 29.

It reiterated it does not believe any of the grounds set out by Priscott have merit.

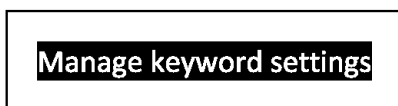
Metlifecare director Mark Binns said recently he had "personally had a quick look at it and I don't think there's much to it."

"It's not a substantive shareholder. The number of shares held are de minimus by this person or company," Binns said.

Takeovers Panel chair Andrew Hudson said he could not comment on the matter, even to confirm if it was the first time the panel has delayed a decision.

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Sent: Thursday, 3 September 2020 10:59 am
To: [REDACTED]; Conor Roberts; Will Goodwin
Subject: FW: No change in Metlifecare's independent valuation

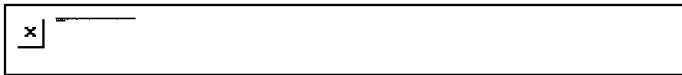
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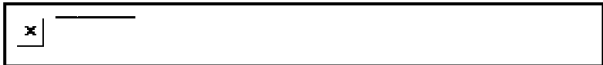
Catherine

From: no-reply=businessdesk.co.nz@mail.businessdesk.co.nz <no-reply=businessdesk.co.nz@mail.businessdesk.co.nz> **On Behalf Of** BusinessDesk
Sent: Thursday, 3 September 2020 10:46 AM
To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Subject: No change in Metlifecare's independent valuation

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In [The Life](#) this week: conductor Gemma New is poised to become New Zealand's most important classical musician. [Richard Betts reports.](#)

No change in Metlifecare's independent valuation

Published: Thu, 03 Sep 2020

By Jenny Ruth

The independent valuation of Metlifecare shares hasn't changed, despite Swedish suitor EQT lowering its offer price to \$6 per share from \$7 previously, using the coronavirus crisis as its excuse.

Calibre Partners, formerly KordaMenta, valued the shares between \$5.80 and \$6.90 and said the \$6 takeover offer price is at the lower end of the range, but is "reasonable."

EQT pulled its \$7 per share offer in April. Metlifecare had begun legal action to force it to honour the original agreement, but ended that action after EQT made the new \$6 per share offer which is supported by four of Metlifecare's directors.

Probably more important is that 19.8 percent shareholder, the New Zealand Superannuation Fund, is supporting the lower EQT offer and has agreed in writing to support it in the absence of a higher offer.

Metlifecare chair Kim Ellis continues to oppose the new offer.

In the notice of meeting, set for Oct. 2, at which shareholders will vote on the offer, Ellis said the Super Fund's support of the offer, and the support of other shareholders, "limited the board's negotiating position" and "left the board with little alternative" but to support the new, lower offer.

The Super Fund's support "left no opportunity for the board to use the pending litigation to negotiate the offer price up to \$6.35 valuation midpoint of the earlier independent adviser's report, let alone closer to the original price of \$7," the notice said.

Ellis disappointed at "fait accompli"

Ellis's opinion is the recently announced annual results and net tangible assets (NTA) supported the board's contention the pandemic had not triggered the material adverse change (MAC) clause of its original agreement with EQT.

Metlifecare's pre-tax underlying profit for the year ended June 30 came in at \$93.8 million, well above the company's June guidance of \$88 million, and NTA was \$7.18.

Calibre's report said Metlifecare's ungeared underlying annual profit was \$91.4 million, excluding wage subsidies, and that the current year's result is budgeted at \$91.2 million.

The notice said the results "should have left the market in no doubt about Metlifecare's strong development momentum and an increasingly positive economic outlook for the retirement village sector.

"Mr Ellis is disappointed in the fait accompli process and outcome and does not consider the scheme price adequately reflects the underlying value of Metlifecare shares."

The four directors supporting the offer, Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass, said their decision was "difficult and finely balanced" but that the offer "is reasonable in all of the circumstances," including the indicated support of the majority of shareholders.

"While Metlifecare's legal advice indicated the ... litigation had undoubted merit, the matter was not clear cut and the path through to obtaining a favourable final judgment and then successful enforcement would have been difficult and could have taken some years to fully resolve," the notice said.

Triggering the MAC clause in the earlier offer agreement required events that were likely to reduce Metlifecare's NTA by at least \$100 million or cause its underlying net profit to fall 10 percent or more - the latest underlying result was marginally lower than the previous year.

Being a rational shareholder

Discounting the original \$7 offer "at an appropriate rate" to take into account the time, uncertainty and disruption involved in litigating means that "a rational shareholder could accept \$6."

The supporting directors further note that "any valuation turns on the assumptions made and these can be debated at length."

They also pointed to Metlifecare's poor track record in development activities, a major reason for Metlifecare's shares consistently trading at a deep discount to NTA – the shares closed Tuesday at \$5.95.

"To realise the potential for higher value from development activity would require Metlifecare to both demonstrate more consistent development execution performance in the next three years than it has previously delivered and a stronger market environment."

As previously reported, the sixth director, Carolyn Steele, abstained, "given she has an association with NZ Super Fund as she previously worked as a portfolio manager at NZ Super Fund and had been appointed as NZ Super Fund's representative on the board."

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Wellington 6140

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Robyn Keriazes

From: Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 2:38 pm
To: Cristina Billett
Cc: [REDACTED]; Will Goodwin
Subject: RE: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Categories: In eDOCS Sent for filing

Thanks Cristina.

Regards,

SG

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 2:36 PM
To: Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Hi Stephen

I now have the execution version voting agreement. I will sign under POA for Guardians and NZSF Nominees. [REDACTED] will send around a docusign DEF shortly to record your approval as CIO on the recommendation of the IC.

We are still awaiting the outcome of the MET board meeting – [REDACTED] I am sure you will send around the outcome of that as soon as you know.

Regards
Cristina

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 1:55 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: Re: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

That's quorum

[REDACTED]. Can you please file the note and vote as per hobsonville.

Cheers

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, July 10, 2020 1:21:10 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Hi – yes please as we will need to ensure we get the Quorum required.

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 12:44 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: Fwd: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Hi [REDACTED], I'm on annual leave today and [REDACTED] is acting Head of EIP. Do you need [REDACTED] to take a look at this?

[REDACTED]

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, July 10, 2020 12:36 PM
To: Investment Committee
Cc: [REDACTED]; Cristina Billett
Subject: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Dear IC,

As has been noted in the media recently, EQT has provided a revised proposal to Metlifecare to acquire the Company. NZSF had provided broad support for the revised proposal being taken to shareholders – both Stephen and Matt have been involved throughout this process.

The key changes in the new proposal are:

1. A reduction in the offer price from \$7.00 to **\$6.00 per share**
2. That Metlifecare agrees to **drop the litigation** against EQT
3. **No Material Adverse Change** provision is included in the Scheme Implementation Agreement
4. Requirement to have a **majority of Directors** (vs. unanimous) in support of the proposal
5. [REDACTED]

Potential Outcomes:

6. If the vote goes through, we receive \$6.00 cash and are exited from our investment
7. If the vote does not go through, we retain our 19.9% stake in Metlifecare, with litigation having been ceased the Company will then be free to operate unencumbered

We are seeking the IC's endorsement for NZSF to enter into the Voting Deed today to vote in favour of the revised proposal.



Regards,

[Redacted]

[Redacted]

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Level 12, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.nz



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Robyn Keriazes

From: Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 12:50 pm
To: Matt Whineray; Mark Fennell; [REDACTED]
Cc: [REDACTED]; Cristina Billett; Investment Committee
Subject: RE: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Categories: In eDOCS Sent for filing, In eDOCS, #2984881, #2984856

And me.

From: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 12:49 PM
To: Mark Fennell <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Investment Committee <Investment@nzsuperfund.co.nz>
Subject: Re: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Fine with me

From: Mark Fennell <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, July 10, 2020 12:45:04 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Investment Committee <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)

Thanks [REDACTED], I am happy to endorse NZSF to entering into the Voting Deed today to vote in favour of the revised proposal.

Cheers

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 12:37 PM
To: Investment Committee <Investment@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)
Importance: High

Dear IC,

As has been noted in the media recently, EQT has provided a revised proposal to Metlifecare to acquire the Company. NZSF had provided broad support for the revised proposal being taken to shareholders – both Stephen and Matt have been involved throughout this process.

The key changes in the new proposal are:

- A reduction in the offer price from \$7.00 to **\$6.00 per share**
- That Metlifecare agrees to **drop the litigation** against EQT
- **No Material Adverse Change** provision is included in the Scheme Implementation Agreement
- Requirement to have a **majority of Directors** (vs. unanimous) in support of the proposal

Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Tuesday, 7 July 2020 12:47 pm
To: Will Goodwin; [REDACTED]
Subject: BusinessDesk request on Metlifecare

Categories: In eDOCS Sent for filing, In eDOCS, #3098417

Hello

I've just had Jenny Ruth on the line regarding Met – her questions and my suggested responses are below. Please let me know if you have any issues

1. Is \$6 a good price given it is a discount to NTA

We appreciate the positive engagement shown by EQT to table a revised offer and we look forward to EQT and the Metlifecare board successfully completing the transaction. While we won't comment on the detail, we note the revised offer is higher than what the stock was trading at immediately prior to the offer being made, and places Metlifecare's share price more in line with industry peers than it was 12 months ago.

(not sure if you want to get into talking prices – although I guess we have already signalled support for the revised offer. If you don't – I am happy to cut the second part of the sentence – I think I've done enough briefing of businessdesk that they are aware of the industry share performance angle)

And why is the Super Fund looking at selling this business offshore given the vulnerable residents that could be affected?

Swedish-based EQT is a globally recognised long-term investor with a successful 26-year history and more than EUR 21 billion of assets under management. It is committed to developing and operating high-quality retirement villages in New Zealand that provide exceptional care to their residents. The business remains subject to the Retirement Villages Act 2003, which governs how it operates and manages complaints, and we are confident residents will continue to receive a high-standard of care should the transaction go through.

It is important to remember the NZ Super Fund invests in a purely commercially manner, consistent with our responsible investment framework, so as to maximise returns to support future generations of New Zealanders. We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the Fund.

Let me know if you are ok with this

Thanks,



Conor

Conor Roberts

DDI: +64 9 366 4924
Mobile: +64 21 124 6004
Email: croberts@nzsuperfund.co.nz

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Level 12, 21 Queen Street, Auckland, New Zealand
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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 6 July 2020 2:41 pm
To: Will Goodwin
Subject: Met

Categories: In eDOCS Sent for filing, In eDOCS, #3098422

How's this:

Head of Direct Investments Will Goodwin says the Super Fund appreciates the positive engagement shown by EQT to resolve the matter.

“We look forward to working with EQT and Metlifecare’s board to find an outcome that works for all parties. It’s in everyone’s interest to deescalate conflict between the parties so the business can focus on long term growth and supporting its residents.”

Conor Roberts

DDI: +64 9 366 4924
Mobile: +64 21 124 6004
Email: croberts@nzsuperfund.co.nz

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Level 12, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.nz



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Robyn Keriazes

From: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 6 July 2020 8:57 am
To: Will Goodwin
Subject: RE: Metlifecare News

Categories: In eDOCS Sent for filing

Nice work

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 6 July 2020 8:51 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Cc: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: Metlifecare News

Conor – can I please ask you to forward the below announcement to our Directors for FYI.

Cheers

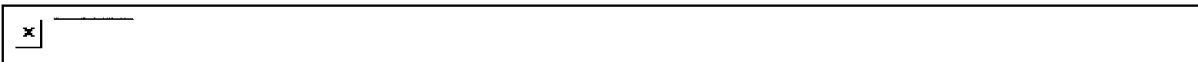
Will

From: Metlifecare Limited <news@metlifecare.co.nz>
Sent: Monday, 6 July 2020 8:45 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: Metlifecare News

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Investor News and Business Updates from Metlifecare Limited, one of New Zealand's leading retirement village and aged care providers.

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MEDIA RELEASE

6 July 2020

**NEW NON-BINDING INDICATIVE OFFER
RECEIVED FROM APVG, SHAREHOLDER
MEETING DEFERRED**

Metlifecare Limited (NZX: MET, ASX: MEQ) advises that during the afternoon of Sunday 5 July 2020 it received on a without prejudice basis a non-binding indicative offer from Asia Pacific Village Group Limited (**APVG**) to acquire all Metlifecare shares for NZ\$6.00 per share under a Scheme of Arrangement (**NBIO**). APVG is an entity owned by EQT Infrastructure IV fund and managed by EQT Fund Management S.à.r.l.

The Board of Metlifecare has committed to engaging with APVG in good faith to see if the NBIO can be converted into a binding Scheme Implementation Agreement (**SIA**).

APVG would require Metlifecare to fully settle the litigation in respect of the SIA dated 29 December 2019, upon entry into a new SIA.

Among the revised terms of the proposed new SIA are:

- scheme consideration of NZ\$6.00 per share in cash compared to the original scheme consideration of NZ\$7.00 per share in cash;
- no Material Adverse Change condition;
- no requirement that the scheme consideration be within or above the Independent Adviser's valuation range; and
- a requirement that a majority of Metlifecare directors – not all – recommend that shareholders vote in favour of the scheme of arrangement on announcement of the new SIA.

In these circumstances, Metlifecare has decided to defer the special meeting of shareholders scheduled for this Friday, 10 July 2020. This meeting is currently scheduled to seek shareholder support to continue litigation against APVG and EQT over their decision to terminate the original SIA, which Metlifecare alleges is invalid.

Metlifecare has been advised that the Guardians of the New Zealand Superannuation Fund (**NZ Super**) is broadly supportive of Metlifecare urgently progressing APVG's NBIO and deferring the special meeting of shareholders in order to do so.

Metlifecare Chair Kim Ellis said: "We have always indicated that the Board of Metlifecare is open to engaging on any reasonable alternative proposal. We welcome receipt of APVG's NBIO and intend to canvass shareholders on whether they prefer this alternative. While there remain a number of issues to resolve and there is no guarantee we will be able to reach agreement, we look forward to productive discussions with APVG."

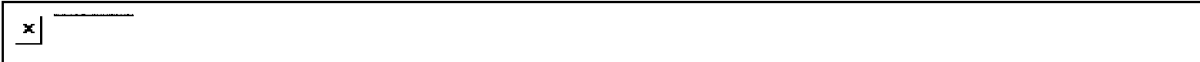
Shareholders do not need to take any action at this time. A further update will be provided when the Metlifecare Board has further assessed the NBIO and canvassed the views of shareholders.

Metlifecare emphasises the NBIO is non-binding and there can be no assurance that a binding new SIA will be agreed.

Metlifecare is being advised by Jarden Partners Limited, Simmons Corporate Finance Limited and Chapman Tripp.

This announcement is authorised for release to the market by the Board of Metlifecare Limited.

To view the full announcement please [click here](#)



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Metlifecare Limited

Level 4, 20 Kent Street

Newmarket, Auckland 1023

New Zealand

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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Thursday, 27 August 2020 8:46 am
To: Will Goodwin; [REDACTED]; Stephen Gilmore
Cc: Catherine Etheredge
Subject: FW: Metlifecare's strong results make EQT offer look worse

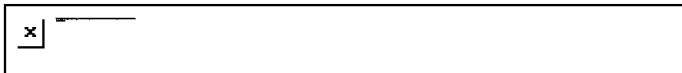
FYI

– story notes NZSF existing position to accept \$6 per share

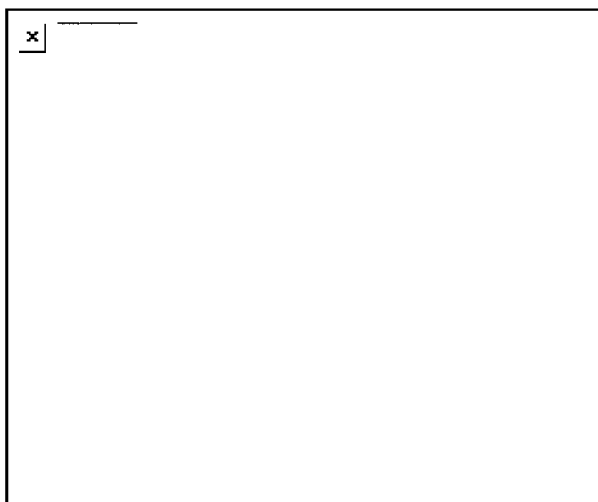
C

From: no-reply=businessdesk.co.nz@mail.businessdesk.co.nz <no-reply=businessdesk.co.nz@mail.businessdesk.co.nz> **On Behalf Of** BusinessDesk
Sent: Thursday, 27 August 2020 8:03 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: Metlifecare's strong results make EQT offer look worse

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Metlifecare's strong results make EQT offer look worse

Published: Thu, 27 Aug 2020

By Jenny Ruth

Metlifecare's bettering of its own profit guidance and its re-based per-share valuation shine a harsh light on Swedish suitor EQT's takeover bid, making it look even more of a lowball offer.

These factors also highlight the questionable nature of EQT's grounds for scuttling its earlier offer.

But this may not make any difference if the New Zealand Superannuation fund, which owns 19.8 percent, continues to back EQT's latest \$6 per share offer. EQT withdrew its earlier \$7 per share offer in April, blaming the covid-19 outbreak.

It's also clear that the "hot money" offshore funds which bought Metlifecare shares after the original offer in the hopes of turning a quick profit on settlement, now just want out.

Reflecting those realities, Metlifecare's share price traded a 1 cent range after the results and ended the day down 1 cent at \$5.92.

Metlifecare's pre-tax underlying profit came in at \$93.8 million, well above the company's June guidance of \$88 million.

Changes in the company's deferred tax liability, in part because of the government's reintroduction of depreciation in response to the covid crisis, meant net tangible assets per share was re-based to \$7.41 at June 30 last year from the previously reported \$6.96, and fell to \$7.18 million at June 30 this year.

This fall in value reflected the \$74.8 million drop in the estimated value of Metlifecare's retirement villages, a big turnaround from the previous year's \$53.9 million gain.

"In the context of the business, it's fairly material – the market has tended to focus on NTA," said Stephen Ridgewell, an analyst at Craigs Investment Partners.

While he himself doesn't put such an emphasis on NTA, "the strong trading" and the fact the company isn't planning to apply to the government's wage subsidy extension "provides investors with confidence" about Metlifecare's future profitability, Ridgewell said.

Jump in demand

One reason for the better-than-expected trading is demand post-lockdown has been strong because the sector generally, and Metlifecare in particular, demonstrated its ability to protect residents and to look after their welfare through the lockdowns.

Ridgewell pointed to the greater detail fellow retirement village operator Summerset provided in its results earlier this month which showed post-lockdown sales contracts had been well above the levels in the same months last year.

"It has been strong because the sector did largely protect residents and did a good job of looking after their welfare," Ridgewell said.

Harbour Asset Management director Shane Solly said Metlifecare's valuer, CBRE, had taken a very conservative approach and had been given a very difficult task of valuing the portfolio "at one of the most difficult points ever." But conditions in the housing market have proved more resilient than expected, Solly said.

The latest Real Estate Institute data showed Auckland house prices are rising again after a flat period – in the year ended July, prices were up 9.2 percent in Auckland and 9.5 percent in the rest of the country.

Of Metlifecare's 25 villages, 15 are in Auckland.

Because of the housing market's surprising strength, economists have been revising their forecasts of how much house prices might fall as a result of the pandemic.

ASB economist Mike Jones is now predicting annual house price inflation will fall 2.8 percent, below the 6 percent drop he had previously expected.

Solly agreed with Ridgewell that retirement villages in New Zealand are benefiting from their strong response to the coronavirus crisis.

"All these businesses have been challenged to deliver a great outcome for residents and, touch wood, so far they have."

Company challenge

Metlifecare chief executive Glen Sowry said his company had recognized in February the pandemic was going to have a significant impact so it had begun preparing, including spending hundreds of thousands of dollars on personal protective equipment such as masks.

Not only did the company do everything possible to keep its residents safe, it also introduced measures to ensure the residents' wellbeing through necessary isolation measures, Sowry said.

"It was incredibly important that we did everything we could to support the wellbeing of our residents" and this involved everything from arranging grocery, meal and coffee deliveries to use of technology and regular phone calls to maintain social connectivity to ensure any "red flags" that a resident was struggling could be dealt with quickly.

The big question now is how developments will affect the independent adviser, Calibre Partners, formerly KordaMentha's revised valuation of Metlifecare shares, which is expected within the next couple of weeks.

Its previous valuation was \$5.80 to \$6.90 per share.

Whatever valuation Calibre comes up with, Metlifecare's actual results make EQT's reasons for withdrawing its earlier \$7 per share offer look spurious.

It relied on the "material adverse change" clause of the contract it signed last year with Metlifecare's directors. This was defined as an event likely to reduce Metlifecare's net tangible assets "by at least \$100 million" and/or reduce its underlying net profit by 10 percent or more.

Metlifecare's latest underlying result before tax was down just 0.4 percent on the previous year and its net assets fell by \$48.9 million to \$1.53 billion.

Four of Metlifecare's directors have recommended shareholders accept EQT's offer but chair Kim Ellis has said they should vote against it at a special meeting on Oct. 2. The sixth director, Carolyn Steele has abstained from making a recommendation, citing her association with the Super Fund – Steele used to work for the fund as a portfolio manager.

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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 24 June 2020 10:42 am
To: [REDACTED]; Cristina Billett; Will Goodwin; [REDACTED]
Subject: IC minutes - Metlifecare

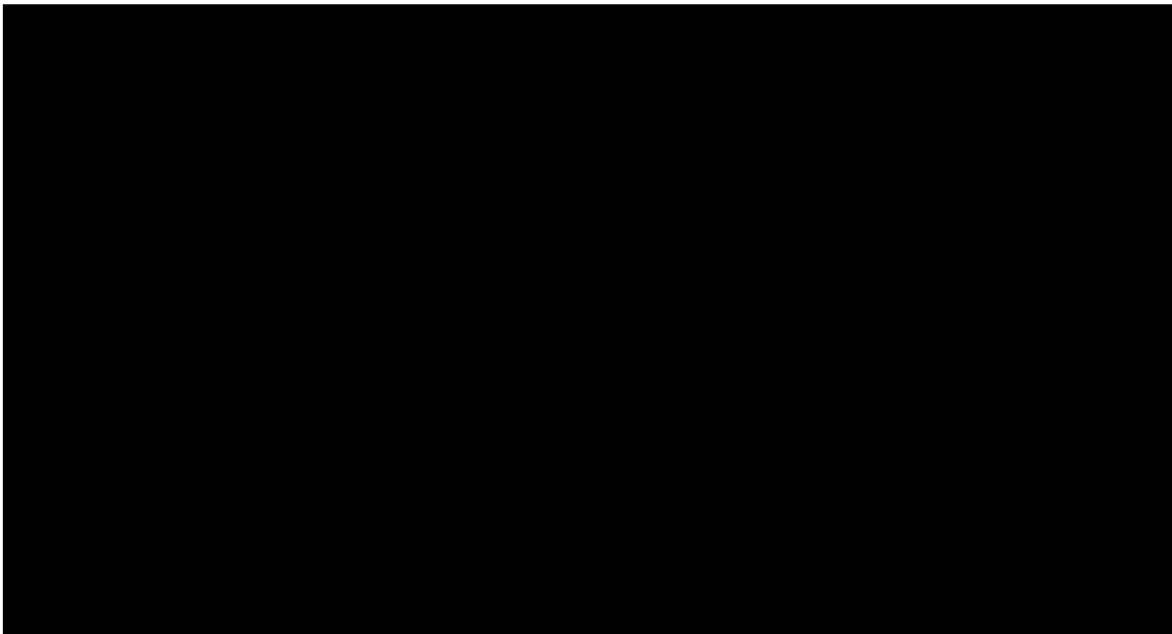
Categories: In eDOCS Sent for filing

Hi team,

See below IC minutes relating to Metlifecare. Please let me know if there are any inaccuracies or edits.

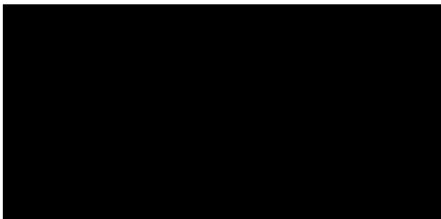
[REDACTED]

Item 2b	Metlifecare
SuperDocs Ref #:	Presenter(s): WG [REDACTED]
The Investment Committee heard: <ul style="list-style-type: none">• The team provided a summary of the litigation between EQT and Metlifecare (MET) and an overview of the paths forward for the Guardian.• The team is seeking guidance from the IC on whether (i) to vote for or against the Board of MET pursuing litigation against EQT and [REDACTED]	
Litigation: [REDACTED]	
[REDACTED]	

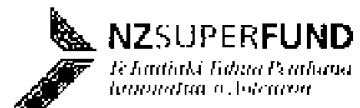




Decision:

Further Actions (not to be tracked by IC):	Who	When
n/a		
Matters Arising for Investment Committee	Who	When
n/a		



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 13 August 2020 3:07 pm
To: Will Goodwin; Conor Roberts
Subject: RE: Metlifecare copy for Annual Report - for sign off

Categories: In eDOCS Sent for filing

Agree with Will's amendment. One additional suggestion in red. Just want to clarify our support is backed by a legal obligation to do so.

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 13 August 2020 3:00 PM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Metlifecare copy for Annual Report - for sign off

Hey Conor – suggested edit below.

Cheers

Will

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Thursday, 13 August 2020 2:02 pm
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: Metlifecare copy for Annual Report - for sign off

Hello gents,

Are you ok with the following copy for the Metlifecare section for the annual report. Obviously difficulty to write up, given it's in flux and the report won't be out until October

Thanks

C

Metlifecare

At the time of writing, the Guardians has a 19.9% investment in Metlifecare, a retirement village operator listed on the New Zealand and Australian stock exchanges. Metlifecare operates 24 retirement villages primarily located in the Auckland, Tauranga, Hamilton and Kapiti regions. Metlifecare is currently subject to a Scheme of Arrangement offer from Swedish-based EQT at \$6 per share.



The Guardians has appreciated the positive engagement shown by EQT and we has entered into a voting deed under which we have agreed to vote in favour of the proposed Scheme of Arrangement ~~have indicated support for EQT and the Metlifecare board successfully complete the transaction.~~ EQT is a globally recognised long-term investor with a successful 26-year history and is committed to developing and operating a portfolio of high-quality retirement villages in New Zealand that provide exceptional care to residents. We are confident residents will continue to receive a high-standard of care should the transaction go through.

Conor Roberts

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MEDIA RELEASE

10 JULY 2020

NEW SCHEME OF ARRANGEMENT WITH EQT INFRASTRUCTURE

Metlifecare Limited (**NZX: MET, ASX: MEQ**) has entered into a new Scheme Implementation Agreement (**SIA**) under which Asia Pacific Village Group Limited (**APVG**), an entity owned by EQT Infrastructure IV fund and managed by EQT Fund Management S.à r.l., has agreed to acquire all Metlifecare's shares for NZ\$6.00 per share.

The parties have also agreed to discontinue all litigation and settle all disputes related to the original SIA, with the parties to cover their own costs in relation to the litigation.

The Board has canvassed Metlifecare investors and has received strong investor support for the scheme, with a number of shareholders indicating they prefer the alternative of a scheme at NZ\$6.00 over the uncertainty of prolonged litigation.

A minority of shareholders have indicated that the transaction price falls below or at the lower end of their own valuation range.

Metlifecare has been advised that its largest shareholder, the Guardians of the New Zealand Superannuation Fund (**NZ Super**), has entered a voting deed with APVG under which it has agreed to vote its 19.9% interest in Metlifecare in favour of the scheme, subject to certain terms and conditions.

The Metlifecare Board was unanimous in its view that the scheme should be put to shareholders.

In a finely balanced decision, a majority of Metlifecare's six directors, comprising Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass, recommend shareholders vote in favour of the scheme in the absence of a superior proposal (as defined in the SIA) and each has undertaken to vote all shares held or controlled by them in favour of the scheme.

In recommending approval of the scheme, the majority of directors believe that, while this has been a difficult decision, the uncertainty and disruption associated with litigation and the potential risks inherent in a COVID-19 environment make the offer of NZ\$6.00 per share – a 14.9% premium to the last closing price before the 6 July 2020 announcement it had received a new non-binding indicative offer from EQT – reasonable.

Metlifecare Chair Kim Ellis does not recommend shareholders vote in favour of the revised scheme. Director Carolyn Steele has abstained from making a recommendation given her association with NZ Super.

Mr Ellis feels strongly that shareholders should be given the opportunity to vote on the scheme. However, he believes the scheme consideration under the new SIA does not represent fair value and should be at least at the mid-point of the range determined by independent adviser KordaMentha at NZ\$6.35. He notes that the indications of majority shareholder support for the scheme reduced the prospect of negotiating a higher price.

The price is within the valuation range contained in KordaMentha's independent adviser report, which was finalised on 5 June 2020. KordaMentha assessed the value of Metlifecare shares in the range NZ\$5.80 to NZ\$6.90 per share.

A new independent adviser's report prepared in accordance with guidance of the Takeovers Panel will be required under the new SIA.

In accordance with the terms of the SIA with APVG, Metlifecare directors and executives will contain any further comments on the transaction to the scheme booklet, which will be sent to shareholders.

The transaction will be implemented by a scheme of arrangement, a court-supervised process under which a meeting of shareholders will be held to vote on the transaction.

Metlifecare shareholders do not need to take any action at this time. They will be given the opportunity to vote on the scheme at a special meeting of shareholders, currently expected to be held in late September 2020.

A scheme booklet with details of the special meeting and a copy of the new independent adviser's report is expected to be sent to shareholders in early September. Metlifecare expects to appoint an independent adviser shortly.

The scheme is subject to customary conditions including shareholder approval, High Court approval, Overseas Investment Office consent and there being no prescribed occurrence (as defined in the SIA). Unlike the original SIA, the new SIA is not subject to a 'material adverse change' clause and the transaction price does not have to fall within or above the independent adviser's valuation range.

It is currently contemplated that the scheme will be implemented in late October 2020.

A copy of the SIA accompanies this announcement.

Metlifecare is being advised by Jarden Partners Limited, Simmons Corporate Finance Limited and Chapman Tripp.

This announcement is authorised for release to the market by the Board of Metlifecare Limited.

Ends

For more information please contact:

Clive Mathieson

clive@catoandclive.com

Mobile: +61 411 888 425

About Metlifecare

Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and outstanding care to more than 5,600 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 25 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island.

Robyn Keriazes

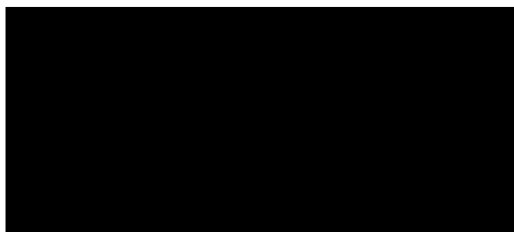
From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 4:42 pm
To: Stephen Gilmore; Will Goodwin
Cc: [REDACTED]; Cristina Billett
Subject: MET Announcement
Attachments: MET Announcement.pdf

Categories: In eDOCS Sent for filing, In eDOCS, #3104681

FYI Attached – New Transaction announced to the market.



Of the 6 directors:

- 4 recommending in favour
- Kim Ellis (Chair) against
- Carolyn Steele – abstained given association with us.



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 8 July 2020 9:29 am
To: Will Goodwin
Subject: RE: businessdesk

Categories: In eDOCS Sent for filing

Hi Will

We have a Fund-wide subscription to Business Desk, you can register here:
<https://businessdesk.co.nz/register?invitation=li5igglx42qfV31foNHxBICqCTgbSX8wXkMRkS3w>

Metlife investors expect more from Swedish suitor

Jenny Ruth

At least some of Metlifecare's institutional shareholders are opposed to the board accepting the non-binding \$6 per share offer from Sweden's EQT.

The new offer is well below EQT's first bid of \$6.50 per share and the \$7 offer Metlifecare's board parlayed EQT up too before the coronavirus crisis hit.

The company's net tangible assets per share also happened to be \$7 at Dec. 31 and the last time NTA was below \$6 was in 2016.

"Supporting a bid under NTA looks really difficult," said Matt Goodson, joint managing director at Salt Funds Management, which has a stake in the company.

"I was certainly surprised to see a statement by the chairman that he thought property valuations in the sector had fallen by 15 percent," Goodson said.

"I think there might be a bit of confusion between valuations and short-term share price movements."

Chair Kim Ellis has said of the \$6 price that "it's 15 percent lower. I would say assets have come back at least 15 percent since lockdown, so it's probably not miles off the button."

Goodson noted that "a range of well-respected forecasters" have predicted about a 10 percent fall in house prices through the crisis.

Tricky property market

That's a difficult question because while net migration has dried to a trickle with the country's borders closed, there was a shortage of housing before the crisis hit and mortgage rates have fallen considerably.

QV general manager David Nagel said his forecast that house prices will fall between 5 percent and 10 percent by Christmas remains likely, but puts that in the context that most parts of New Zealand have experienced growth in house prices above that level in the last 12 months.

"For those that can weather the storm, time is simply a passing aberration," Nagel said.

Westpac is forecasting a 7 percent fall in house prices this year while ANZ foresees a 12 percent drop and Standard & Poor's is expecting a 10 percent decline.

But Goodson sees it as a conflict between the very short term and those, like him, who take a longer-term view.

"If you took a three-to-five year view, considerable value could be added," he said.

While Metlifecare's shares have traditionally traded at a discount to asset backing, unlike the shares of other operators in the sector, that's because of poor execution of developments and an inability to achieve development margins in the mid-20 percent region, Goodson said.

"The jury's still out on whether they will do that in the future."

In the six months ended December, Metlifecare's development margin was just 13 percent on revenue and 16 percent on costs.

By contrast, Ryman Healthcare's shares ended trading on Tuesday at \$13.01 compared with NTA at March 31 of \$4.526 and it earned a 27 percent development margin for the year ended March.

Similarly, Summerset shares closed Tuesday at \$6.75 compared with NTA of \$5.02 at Dec. 31 and its development margin in calendar 2019 was 28 percent.

More to come

ANZ Investment Management's head of Australasian property securities, Craig Tyson, is also unequivocal that \$6 is inadequate but said "this is just the opening salvo" on the latest round of negotiations between EQT and Metlifecare's board.

ANZ sold much of its stake – 11.8 percent in the last annual report – in January with the bulk of shares sold between \$6.86 and \$6.88 each, but it still has a small holding.

EQT has presented itself as a long-term investor so a short-term drop in housing prices ought to be of little concern. "If you're a long-term investor, then not a lot has changed and you could say NZ is looking better, given the track record" in eliminating covid-19, he said.

But the new offer does fall within independent adviser KordaMentha's valuation range of \$5.80 to \$6.90 per share.

Curiously, the terms EQT is now proposing include that there be "no requirement that the scheme consideration be within or above the independent adviser's valuation range."

But the success or failure of EQT's latest bid is likely to come down to the NZ Superannuation Fund's view of the offer, Tyson said.

The Super Fund bought its 19.8 percent stake in October 2013 in conjunction with Infratil for \$3.53 per share. Infratil sold out in April 2017 at \$5.61 per share.

The Super Fund noted the discount to its peers that Metlifecare shares have traded at and that it has been underperforming from the fund's point of view.

"While we cannot publicly comment on the price, we appreciate the positive engagement shown by EQT to table a revised offer and we look forward to EQT and the Metlifecare board successfully completing the transaction," it said.

Super Fund's purpose

But should NZ's sovereign wealth fund back an offer to buy NZ assets on the cheap, particularly assets that house particularly vulnerable New Zealanders?

EQT "is a globally recognised long-term investor with a successful 26-year history and more than 21 billion euros of assets under management," the Super Fund said.

"It is committed to developing and operating high-quality retirement villages in New Zealand that provide exceptional care to their residents.

"The business remains subject to the Retirement Villages Act 2003, which governs how it operates and manages complaints, and we are confident residents will continue to receive a high-standard of care, should the transaction go through."

The Super Fund "invests in a purely commercially manner, consistent with our responsible investment framework, so as to maximise returns to support future generations of New Zealanders. We assess investment opportunities based on what we believe delivers the best long-term risk-adjusted return to the fund, and as a minority shareholder of this listed company, we support Metlifecare and EQT concluding the transaction."

Metlifecare shares traded as high as \$6.94 before EQT said in March that the original deal was off and then fell as low as \$3.16, their lowest level since 2013. The shares jumped from \$5.22 on Friday to close on Tuesday at \$5.79.

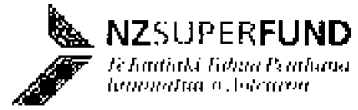
From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 8 July 2020 9:09 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: businessdesk



Hey [REDACTED] – any chance you can get me a copy of the Met article today from Jenny. Thanks Will

Will Goodwin



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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 6 July 2020 10:47 am
To: Cristina Billett; Will Goodwin; Stephen Gilmore; Matt Whineray
Subject: Media on Metlifecare

Categories: In eDOCS Sent for filing, In eDOCS, #3099683

Hello all,

There have been several media stories on Metlifecare out this morning. I've pulled out a few relevant sections below.

Conor

BusinessDesk - Pattrick Smellie - [Peace breaking out in Metlifecare stoush?](#)

The Metlifecare takeover by Swedish investor EQT appears to be back on track, but at \$6 rather than \$7 a share, in a move that could avoid a costly, prolonged legal battle over EQT's attempt to welch on the deal. EQT's Asia Pacific Village Group delivered a revised non-binding indicative offer to the Metlifecare board yesterday afternoon, with chairman Kim Ellis saying that its largest single shareholder, the New Zealand Superannuation Fund at 19.9 percent, was "broadly supportive of Metlifecare urgently progressing APVG's NBIO" and deferring a special meeting of shareholders scheduled for this Friday... The peace offering comes against a background of suggestions that Ellis's position was under threat as international hedge funds, which had bought into Metlifecare expecting the deal to go through and were now facing significant losses, were preparing to call a special meeting of their own to challenge his chairmanship... The company's shares climbed 10.2 percent to \$5.75 when trading opened, still below the new offer price... The shares had slid from \$6.50 in September 2018 to trade below \$5 and at a discount to peer competitors Summerset and Ryman Healthcare through most of last year, but rose almost to the \$7 takeover offer price early this year before plummeting as low as \$4.35 when EQT/APVG said it was ending the deal, citing the material adverse change clause in its scheme implementation agreement and blaming the likely impact of covid-19 on Metlifecare's performance... The latest offer is repitched at a level that would still give major long term shareholders such as the Super Fund an exit price consistent with prices being paid for other NZ retirement care operators while limiting the losses of hedge funds that piled into the stock in the expectation that the original takeover deal would go ahead...

NZ Herald – Anne Gibson - [\\$1.27b Metlifecare takeover suddenly announced, Asia Pacific lowers offer from \\$1.49b](#)
Asia Pacific Village Group's takeover of New Zealand's second-largest retirement village owner and operator is suddenly back on in an unexpected move, with the price only lowered by \$1 a share reducing it from a \$1.49 billion deal to \$1.27b. Metlifecare made a surprise NZX announcement this morning about the deal being reignited...

Stuff - Catherine Harris - [Metlifecare gets new offer from Swedish suitor](#)

The new offer from APVG, which is owned by Swedish fund manager EQT, also requires that Metlifecare drop its requirement that the scheme consideration be within or above the independent adviser's valuation range. It would also hinge on the majority of Metlifecare directors recommending the offer to shareholders. Metlifecare said it had decided in the circumstances, to defer its special shareholders meeting scheduled for Friday. Ellis said he had been advised that the Guardians of the New Zealand Superannuation Fund was broadly supportive of progressing APVG's new deal...

NBR - Calida Stuart-Menteath - [Round two: Metlifecare gets second offer for its shares](#)

Under the new offer, there would be no material adverse change condition – the sticking point in the last agreement – and no requirement the offer price must be within or above the independent adviser's valuation range. In a statement to the NZX on June 8, Metlifecare said its latest valuation from KordaMentha was \$5.80 to \$6.90 a share. That assessment is lower than KordaMentha's March 5 valuation for the scheme of arrangement, which came in at \$6.50 to \$7.65 a share. The company's shares last traded at \$5.22. There's also a requirement that a majority of Metlifecare directors – not all – recommend that shareholders vote in favour of the scheme...



AFR – Street Talk - EQT lobs \$NZ1.28b takeover offer at Metlifecare

This should quieten down agitating hedge fund shareholders. Dual-listed retirement village owner Metlifecare – which has been under fire from some investors for not re-engaging with its suitor EQT Infrastructure – has revealed it received another takeover offer from EQT on Sunday afternoon. The non-binding indicative offer landed at \$NZ6 a share or \$NZ1.28 billion (\$1.2 billion), a 15 per cent premium to the company's \$NZ5.22 last close...

Conor Roberts

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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Friday, 3 July 2020 10:07 am
To: Will Goodwin
Subject: FW: Hong Kong hedge fund issues Metlifecare ultimatum

Categories: In eDOCS Sent for filing, In eDOCS, #3098424

FYI

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 3 July 2020 10:04 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject:

Hong Kong hedge fund issues Metlifecare ultimatum

Agitation may indicate dwindling support for litigation.

By **Tim Hunter**

Fri, 03 Jul 2020



Maso Capital partner Manoj Jain

A shareholder group led by a Hong Kong hedge fund has submitted a draft resolution calling for the removal of Metlifecare chair Kim Ellis unless the company resumes sales talks with private equity firm EQT, *NBR* understands.

The demand, sent by Maso Capital partner Manoj Jain, is believed to be seeking a response from Metlifecare today.

Jain did not respond to email or telephone requests for comment.

Ellis could not be reached for comment yesterday.

Sources have told *NBR* Maso, whose last disclosure in March put its holding at 5.4%, has the backing of shareholders owning more than 20% of Metlifecare.

According to Maso's NZX disclosure its stake was acquired at an average price of \$6.88 a share for a total consideration of \$79.8m. At current prices the holding is worth about \$59m.

The pressure on Ellis follows an extraordinary series of events for retirement village operator Metlifecare as EQT backed out of a deal to buy it for \$7 a share and Metlifecare filed legal action seeking to enforce the agreement.

A shareholder vote has been called for July 10 to approve that legal action.

However, while Maso's Jain was understood to be in the forefront of calls for Metlifecare to vigorously pursue legal action, the firm now appears to prefer a settlement with EQT at a lower price.

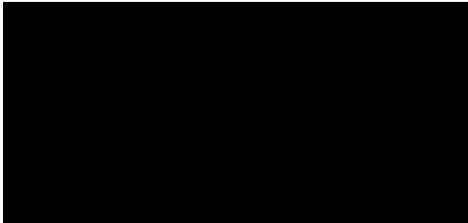
In a statement to the NZX on June 8 Metlifecare said its latest valuation from KordaMentha was \$5.80 to \$6.90 a share.

It is understood some shareholders believe a deal at or below the low end of that range is better than either litigation with EQT or no deal at all.

Metlifecare's share price has risen sharply since early June, from \$4.19 to yesterday's close of \$5.14, valuing the company at \$1.1 billion.



Ellis has previously said the board is open to offers from EQT and will not stand in the way of a deal.

However, other shareholders had different views from Maso on what represented a good price and a reasonable deal, he said.



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 2:05 pm
To: Will Goodwin; [REDACTED]; Cristina Billett
Subject: FW: IC Questions to regroup by 2pm today

Categories: In eDOCS Sent for filing

Initial responses below for discussion:

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 11:26 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: IC Questions to regroup by 2pm today

Hi Team,

Below are the Q&Fs received for your paper. Can you please group and send back to me by 2pm today so I can dispatch to the IC today. We do not require written responses to these.

ITEM 2B: PROJECT NAVY (METLIFECARE) (W. Goodwin, [REDACTED] / Q&Fs: 7

1. What else does the IC need to hear (discussion) or see (analysis) from the paper presenters?

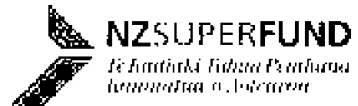
[REDACTED]



[REDACTED]

Kind regards



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 12:07 pm
To: Cristina Billett; Will Goodwin; [REDACTED]
Subject: FW: IC Questions to regroup by 2pm today

Categories: In eDOCS Sent for filing

Will come back with draft responses in the next 45mins

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 11:26 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: IC Questions to regroup by 2pm today

Hi Team,

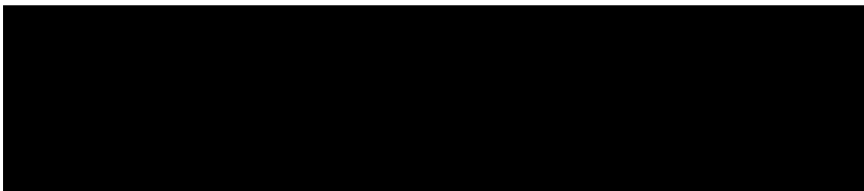
Below are the Q&Fs received for your paper. Can you please group and send back to me by 2pm today so I can dispatch to the IC today. We do not require written responses to these.

ITEM 2B: PROJECT NAVY (METLIFECARE) (W. Goodwin, [REDACTED] / Q&Fs: 7

1. What else does the IC need to hear (discussion) or see (analysis) from the paper presenters?



Kind regards



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 15 June 2020 9:06 am
To: Cristina Billett; [REDACTED]; Will Goodwin
Subject: RE: Project Navy

Categories: In eDOCS Sent for filing, In eDOCS, #3040973

[REDACTED] - I was thinking that over the weekend as to whether there needed to be anything covering them.

I can give you a call shortly if that works?

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 15 June 2020 8:53 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Project Navy

Hi

[REDACTED]

I will get back to you on that point.

Also I have some comments but maybe its easier to call you as I am useless at trying to amend slides

Finally on my call with Joe on Friday he [REDACTED]

[REDACTED]

Cristina

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Sunday, 14 June 2020 8:10 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Project Navy

That's looking good I added some suggestion in comments in the below slides, mostly wording suggestions so accept/ignore as suits;

- a) Exec Summary
- b) Uncertain Litigation
- c) What are our Options?
- d) Pricing Considerations

On those questions;

- Should we include anything specific on EQT? – My only hesitation is extending the length of the presentation <- if it's easy then I'd put it into an appendix (maybe even with the share register slide (6.) and detailed options slides (10-11)?>

[Redacted]

- Anything you think I've missed / not clear on from what's currently covered? [Redacted]

[Redacted]

From: [Redacted] <[Redacted]@nzsuperfund.co.nz>
Sent: Sunday, 14 June 2020 4:37 PM
To: Will Goodwin <[Redacted]@nzsuperfund.co.nz>; Cristina Billett <[Redacted]@nzsuperfund.co.nz>; [Redacted] <[Redacted]@nzsuperfund.co.nz>
Subject: Project Navy

Hi,

Draft IC pack for review. I have extended the slides previously provided to Stephen to provide more background for the IC as conscious that a number of them won't be up to speed on how things have evolved, and to provide more colour around the various options which I have also extended for completeness. [Redacted]

[Redacted] – I will be able to summarise key points and drop them in to the slide deck.

Questions:

- Should we include anything specific on EQT? – My only hesitation is extending the length of the presentation
- [Redacted]
- Anything you think I've missed / not clear on from what's currently covered?

Regards,

[Redacted]

[Redacted]

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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Sunday, 14 June 2020 4:37 pm
To: Will Goodwin; Cristina Billett; [REDACTED]
Subject: Project Navy
Attachments: 2902475-9-Updated_Pricing_Considerations.PPT.DRF

Categories: In eDOCS Sent for filing, In eDOCS, #2951110

Hi,

Draft IC pack for review. I have extended the slides previously provided to Stephen to provide more background for the IC as conscious that a number of them won't be up to speed on how things have evolved, and to provide more colour around the various options which I have also extended for completeness. [REDACTED]

Questions:



- Should we include anything specific on EQT? – My only hesitation is extending the length of the presentation

- Anything you think I've missed / not clear on from what's currently covered?

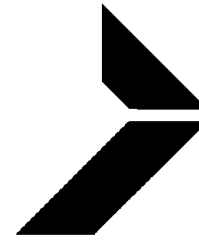
Regards,

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NZSUPERFUND

*Te Kaitiaki Tāhua Penihana
Kaumatua o Aotearoa*

TITLE:

ITEM 2B: Project Navy – Discussion

Purpose: For discussion

AUTHOR:

Direct Investments

EVENT | PRESENTATION:

18 June 2019

- 1) In late December 2019, the Investment Committee approved the sale of NZSF's 19.86% stake in Metlifecare to EQT, a Swedish backed infrastructure fund. NZSF subsequently entered into a voting agreement with EQT to vote in favor of the Scheme of Arrangement at a cash price of \$7.00 per share
- 2) Since then, the advent of COVID-19 and the subsequent impacts to the New Zealand economic environment saw EQT seek to terminate its agreement with Metlifecare to acquire the company under a material adverse change provision

3)

4)

5)

6)

7)

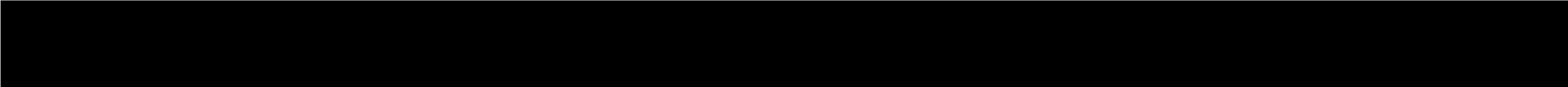
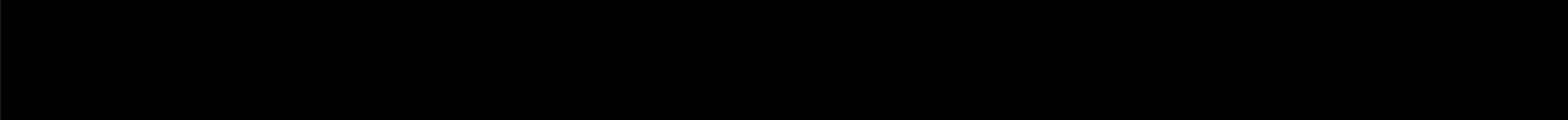
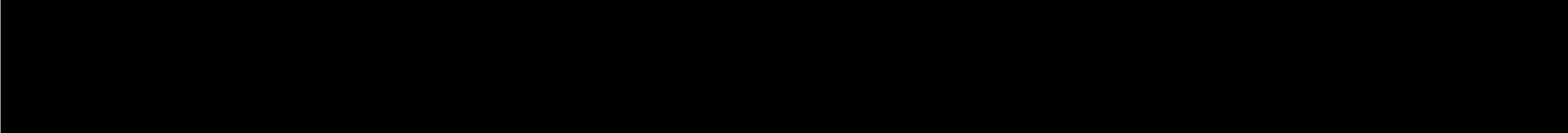

- 8) **We are seeking a discussion with the Investment Committee on the following two questions:**

A.

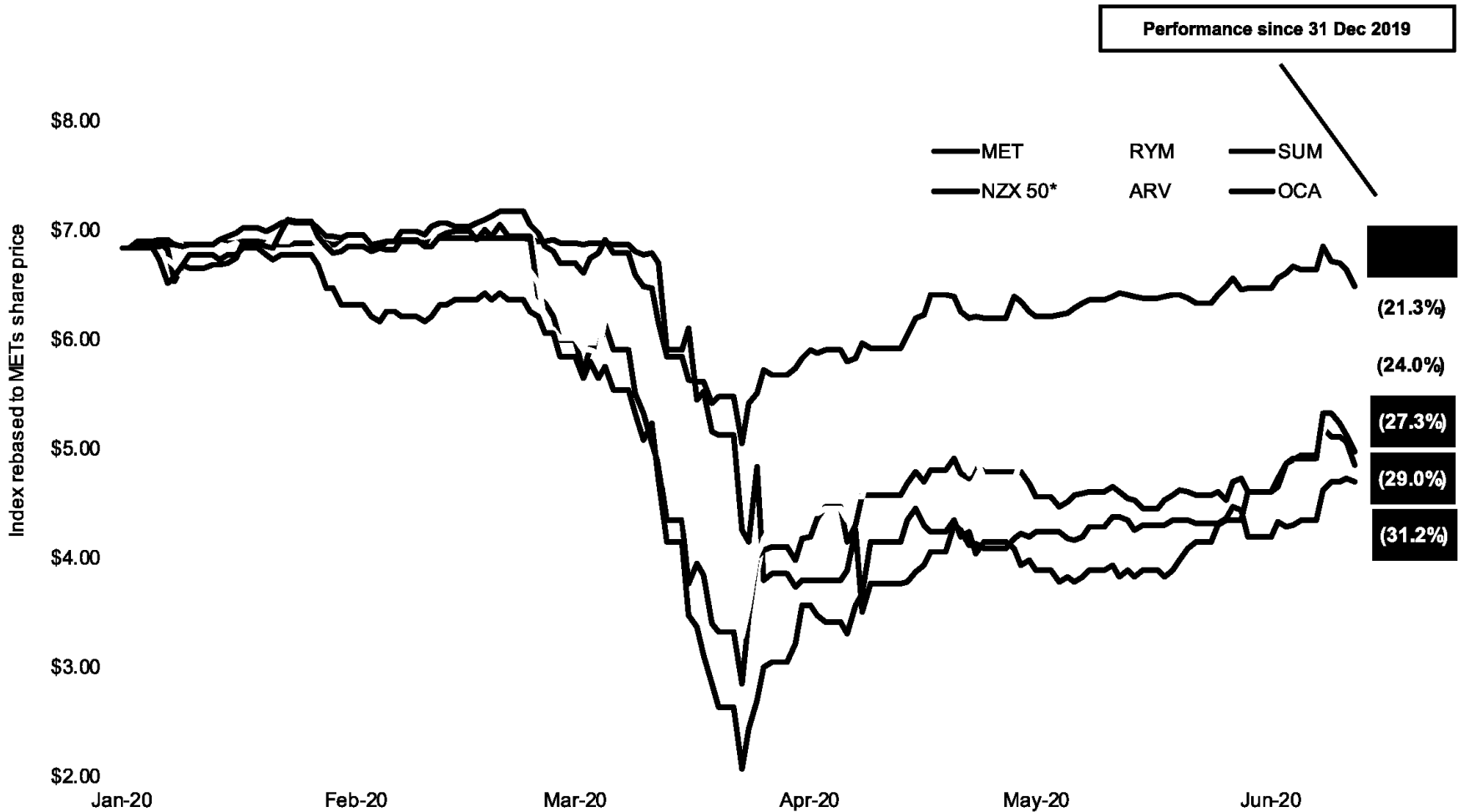
B.

A

Background / The Last 6 Months

- 1) In late November 2019, Metlifecare received a non-binding expression of interest to acquire the Company (price undisclosed). Subsequently in early December, NZSF was introduced to the bidder, EQT, a Swedish backed infrastructure fund
- 2) 
- 3) 
- 4) On 20th December, the IC endorsed the recommendation to enter into a voting agreement with EQT whereby NZSF would vote to sell our interest in Metlifecare to EQT for \$7.00 per share under the proposed Scheme of Arrangement
- 5) Subsequently, the Metlifecare share price traded in a range of \$6.80 – \$6.94 until early March 2020 when, driven by the wider market impacts of COVID-19, speculation began to grow about EQT seeking to terminate its agreement to acquire Metlifecare. Metlifecare received a formal termination of the Scheme Implementation Agreement (“**SIA**”) on 8 April 2020 under the Material Adverse Change (“**MAC**”) clause.
- 6) 
- 7) The High Court of New Zealand has set an expedited timetable for the dispute, which is set to commence on 23 November 2020. However, resolution of the litigation between the parties will not be completed for some time (potentially up to a year). The Metlifecare Board is now seeking approval from shareholders via a Special Meeting of shareholders on 10 July, to go ahead with the litigation against EQT
- 8) 
- 9) Since EQT lodged the notice of their intention to terminate the SIA, the Metlifecare share price has traded between \$3.51 and \$4.70 (most recent traded price)

With the appearance of COVID-19, all of the retirement operators saw share price falls of ~50% through March/April. Despite some recovery, most remain ~25% down on a “pre-COVID position.





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B

Where To From Here



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Valuation & Returns



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Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 2:17 pm
To: [REDACTED]; Will Goodwin; [REDACTED]
Subject: RE: IC Questions to regroup by 2pm today

Categories: In eDOCS Sent for filing, In eDOCS, #3043685

My comments below (highlighted in yellow)

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 2:05 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: IC Questions to regroup by 2pm today

Initial responses below for discussion:

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 11:26 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: IC Questions to regroup by 2pm today

Hi Team,

Below are the Q&Fs received for your paper. Can you please group and send back to me by 2pm today so I can dispatch to the IC today. We do not require written responses to these.

ITEM 2B: PROJECT NAVY (METLIFECARE) (W. Goodwin, [REDACTED] / Q&Fs: 7



1. What else does the IC need to hear (discussion) or see (analysis) from the paper presenters?



Kind regards

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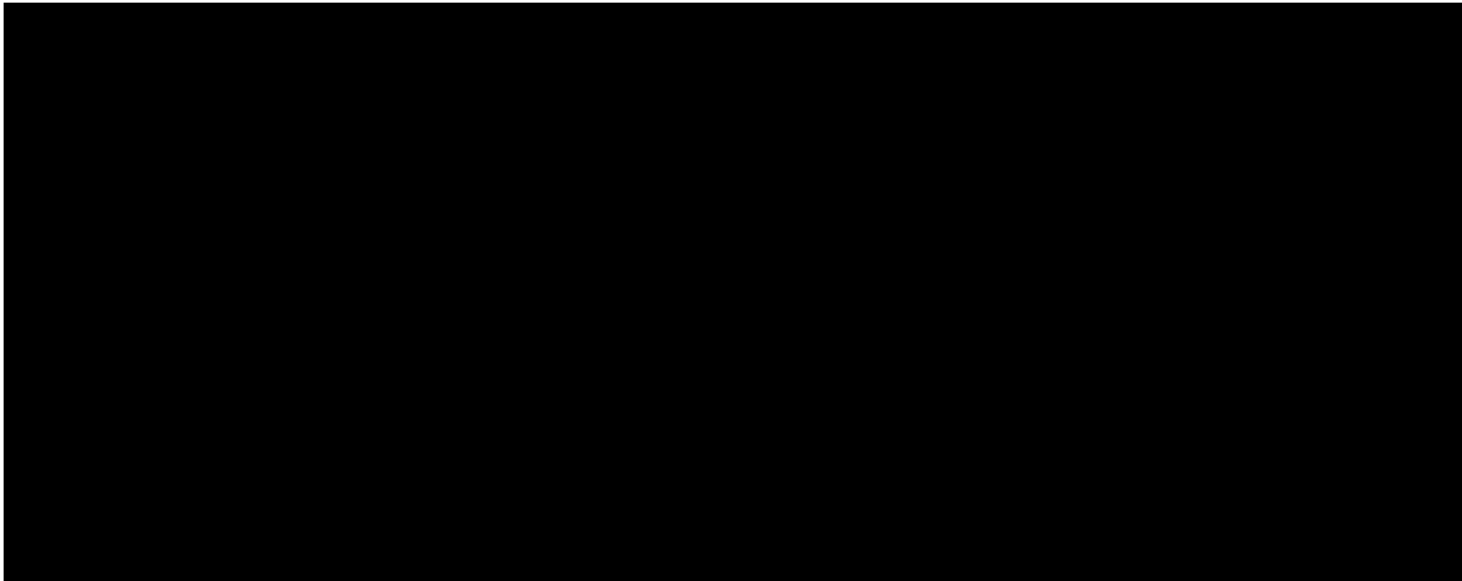
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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 2:11 pm
To: [REDACTED]; [REDACTED]
Cc: Will Goodwin; [REDACTED]; [REDACTED]
Subject: RE: IC Questions to regroup by 2pm today

Categories: In eDOCS Sent for filing

Groupings below:



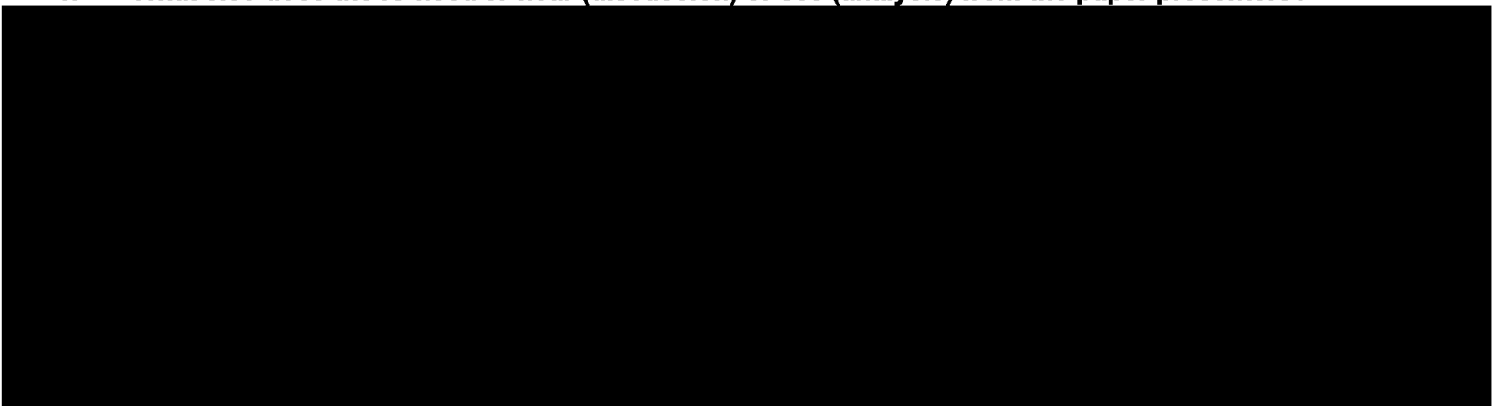
From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 17 June 2020 11:26 AM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: IC Questions to regroup by 2pm today

Hi Team,

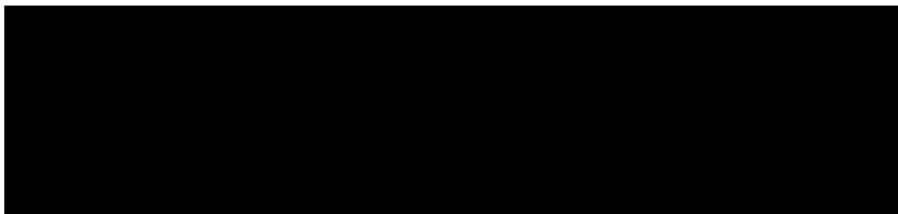
Below are the Q&Fs received for your paper. Can you please group and send back to me by 2pm today so I can dispatch to the IC today. We do not require written responses to these.

ITEM 2B: PROJECT NAVY (METLIFECARE) (W. Goodwin, [REDACTED] / Q&Fs: 7

1. What else does the IC need to hear (discussion) or see (analysis) from the paper presenters?





Kind regards



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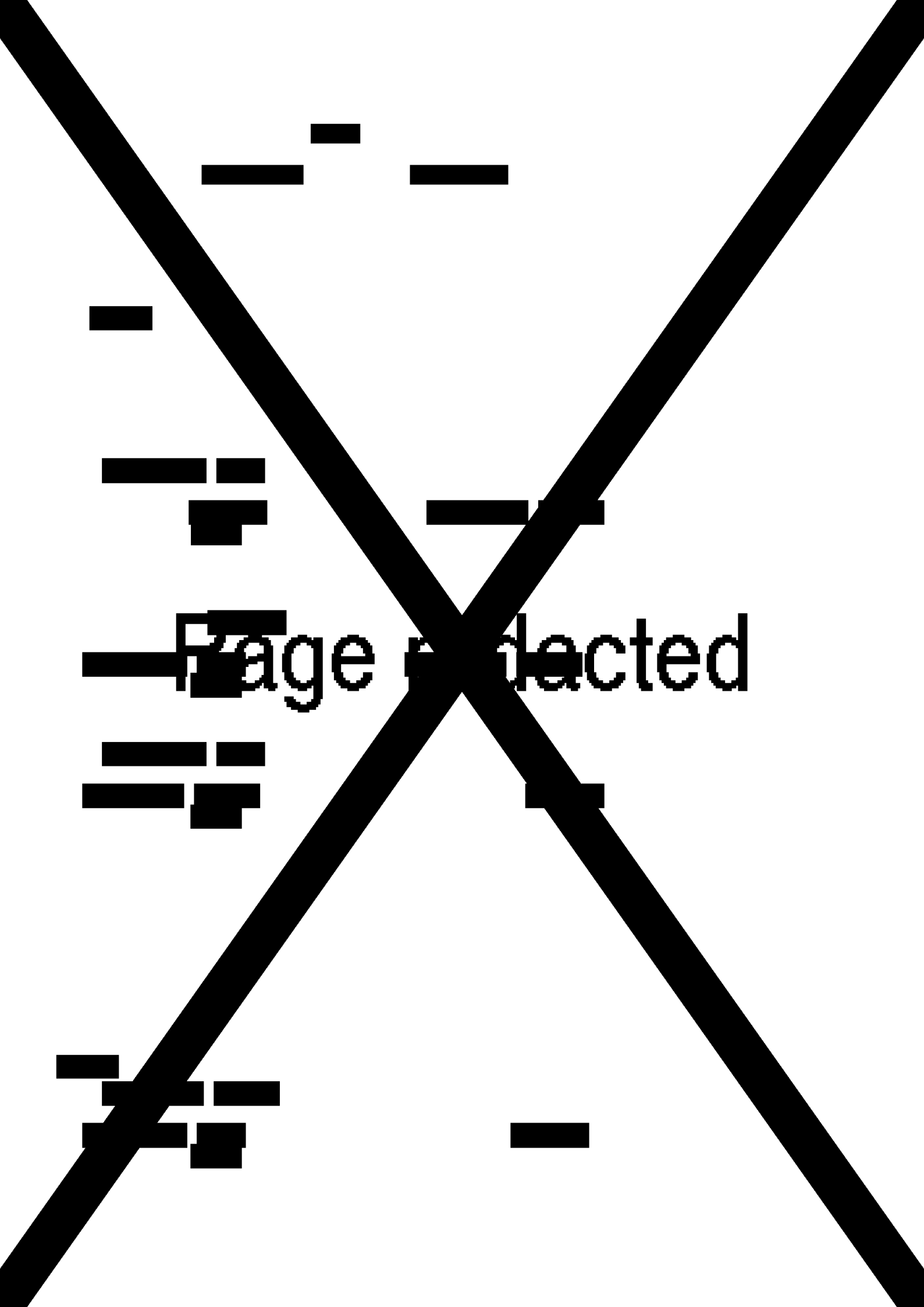


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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Thursday, 28 May 2020 10:07 AM

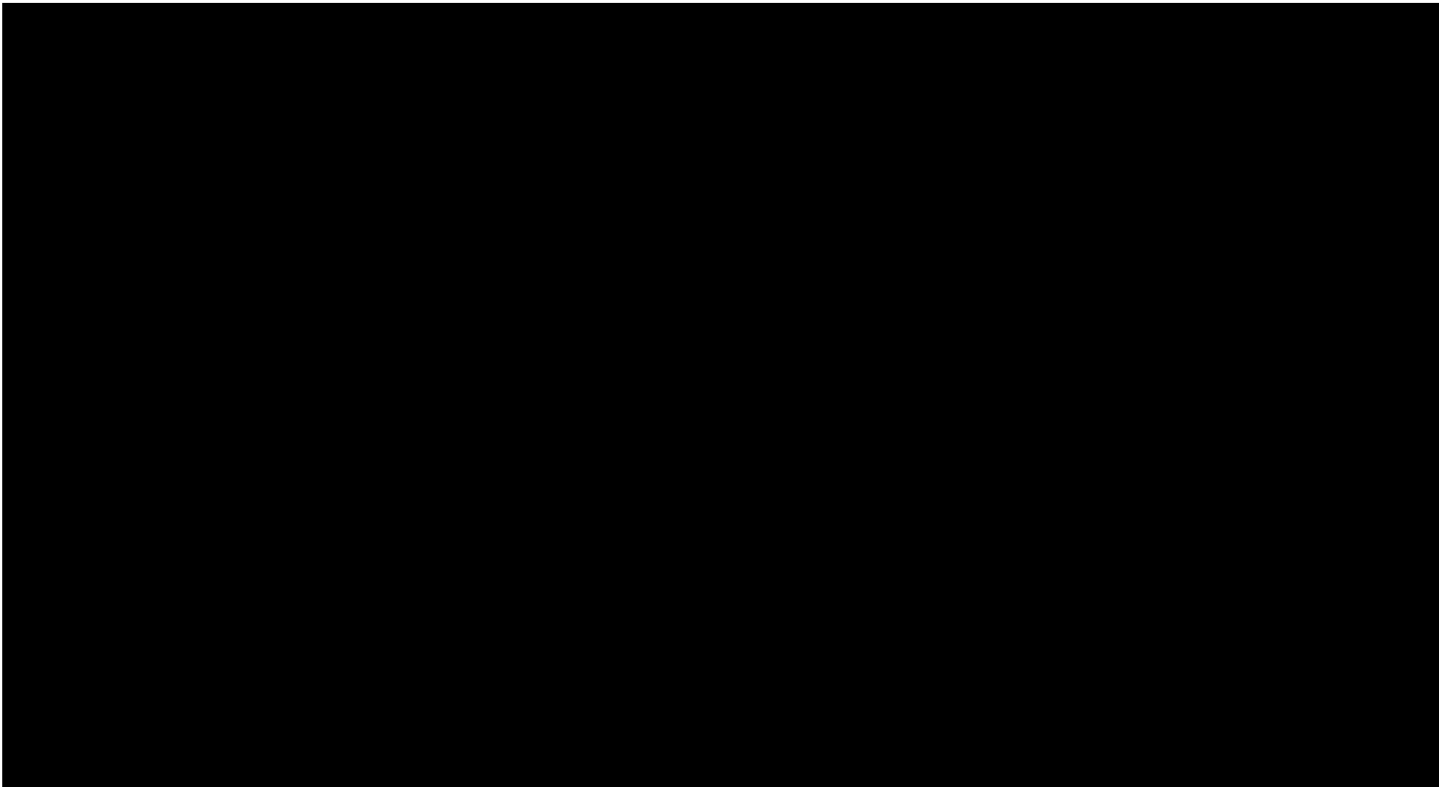
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Cc: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

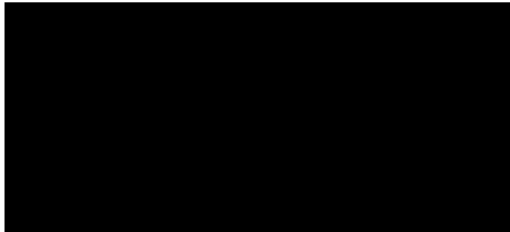
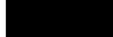
Subject: MET - Considerations

Hi – this is just a little summary of where I see the various parties at the moment – for discussion as to what the







Regards,



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Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 28 May 2020 4:55 pm
To: Will Goodwin; [REDACTED]; [REDACTED]
Subject: FW: NBR TODAY: Metlifecare urges High Court to let shareholders have their say

Categories: In eDOCS Sent for filing

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 28 May 2020 4:53 PM
To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: NBR TODAY: Metlifecare urges High Court to let shareholders have their say

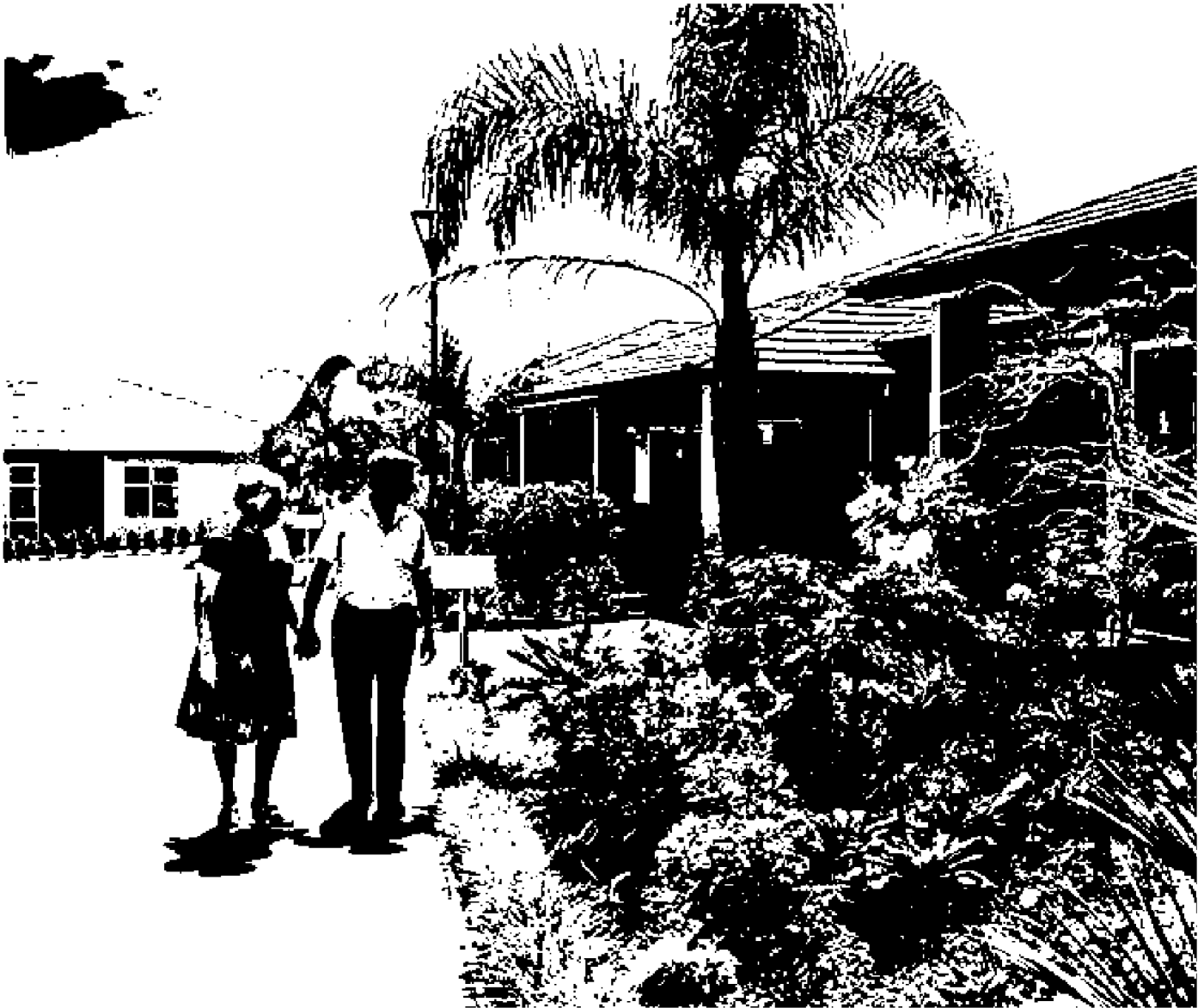
Metlifecare urges High Court to let shareholders have their say

Engaging Metlifecare's owners now might avoid costly court case over disputed takeover, court hears.

Thu, 28 May 2020

By **Reweti Kohere**

Thu, 28 May 2020



The Auckland High Court has heard a proposed takeover of Metlifecare has been done for shareholders' benefit alone and they should now determine whether pursuing the at-risk deal through the courts is worth the cost.

A much-anticipated hearing kicked off between the listed aged care provider and potential buyer Asia Pacific Village Group (AVPG), which backed out of its \$7-a-share offer in late April.

The deal, a 38% premium to the company's closing price before the initial approach in mid-November, was structured as a scheme of arrangement. A vote by three-quarters of shareholders was required rather than the 90% needed in a takeover.

Following AVPG's owner, Swedish private equity firm EQT, terminating the agreement due to the material impact Covid-19 would have on the business, Metlifecare challenged the termination's validity.

It mainly seeks orders that the purchaser, and the EQT investors who agreed to fund the transaction under an equity commitment letter, fulfil their obligations under the scheme implementation agreement entered into on December 29.

While an 18-day trial starting on November 23, 2020, has been earmarked for the substantive dispute, today's hearing before Justice Graham Lang focused on whether Metlifecare could send investors revised documents on the scheme, to vote on the disputed takeover.

Company directors still considered the \$1.5 billion agreement on foot, and had entered into it not for their personal benefit but for the benefit of shareholders, Metlifecare's lawyer Stephen Hunter, Queen's Counsel, said.

"The body of shareholders have not had an opportunity to engage with the scheme and effectively the mandate for the company to pursue it."

Such a pursuit would be expensive, Hunter said, pointing to EQT's termination announcement that noted the hiring of two QCs.

The court was invited to put itself in the directors' shoes and ask: "Before they pursue it, is the scheme even something shareholders want?"

Firepower

Engagement with shareholders could lead to the scheme not going ahead.

Hunter said: "A rational shareholder could say 'no, we don't [want to engage]. We can see the firepower on the other side. We think it will be a distraction for the company. We've got our own view on it. We don't want it'.

"If that is the answer, we'll avoid spending unnecessary money on expensive litigation."

Justice Lang was concerned about the unprecedented nature of the case, saying there weren't any cases where the court had been asked to make orders on a scheme where one party considered it no longer existed.

"How can I be satisfied that there is an arrangement in existence?"

Metlifecare's lawyer said the scheme existed in the sense there was a document that shareholders could read.

The case was unusual because normally those who wanted to buy a company didn't back out months later. Uncertainty was a common feature of a scheme implementation agreement, citing the need for regulatory approval, and it wasn't fatal to a proposed takeover going ahead.

"All the court is doing here is not saying 'is this scheme valid and enforceable?' It's saying 'procedurally, is this a satisfactory way of putting documents to shareholders and getting their buy-in?'" Hunter said.



Potential, possible, proposed

EQT's first QC, Alan Galbraith, said Metlifecare now described the transaction as a 'potential' one. While 'possible' could be substituted as an adjective, neither meant a 'proposed' deal.

Orders made under s236 of the Companies Act lead to a proposed arrangement but the parties were far from that.

"With all the best will in the world, what Your Honour knows at the moment is there's been a termination notice and there's a dispute as to whether that's right or wrong," Galbraith said. "To suggest, in the meantime, there's a proposed arrangement for shareholders to vote on is stretching the wording of s236 and what it can bear."

The QC disagreed that today's hearing was procedural, saying the odds of the judge's final decision in the substantive trial not leading to an appeal on either side were "pretty slim". It could be at least 18 months before the dispute was resolved on appeal.

Galbraith also questioned the utility of the orders Metlifecare sought at this stage where it appeared the company's thrust was to get shareholder approval. An extraordinary general meeting could be called instead, and wouldn't require the court to get involved.

Disclosure issues

Yesterday, the Takeovers Panel told the sharemarket it didn't oppose the proposed scheme being put to shareholders before the dispute was settled, based on what Metlifecare had disclosed.

However, the panel would hold out on deciding whether to issue a 'no objection' statement for final orders that gave effect to the scheme. Resolving the conflict could take some time and new information could come to light for shareholders to consider.

The defendant's second QC, Mark O'Brien, told the court the panel had taken a "reasonably nuanced" view on the documents. While there was a material uncertainty over whether the scheme would go ahead and whether the revised documents would be enough, they were sufficient as they stood.

But there was an "inevitability" the panel would review the documents again, and the uncertainty couldn't be cured now because resolving the primary dispute was needed first.

O'Brien said the court should be wary of rubber-stamping the proposed arrangement until a detailed analysis was made.

In his reply, Hunter told the court none of the disclosure points was an impediment and if they could be improved, "so be it." Metlifecare only wanted to be fair and present matters in the best way they could.

Justice Lang reserved his decision.

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 28 May 2020 4:51 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: NBR TODAY: Metlifecare urges High Court to let shareholders have their say

Hi

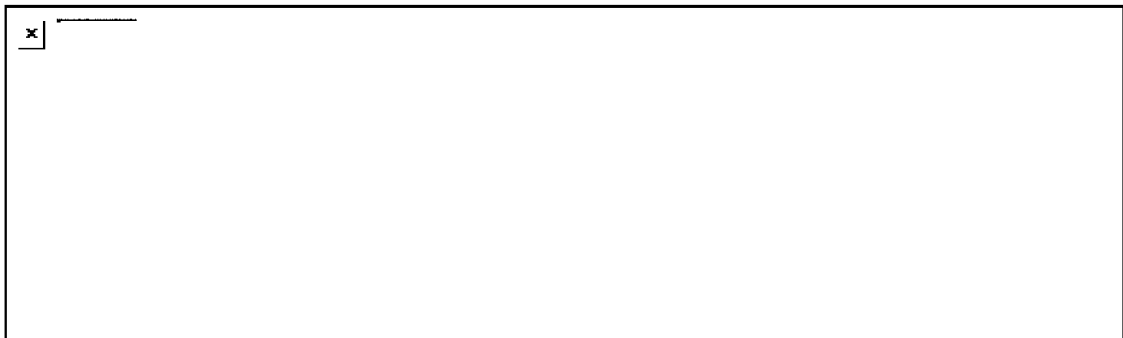
Can you please send me the MET article – I am on z scaler so I can't access my nbr membership

Thanks

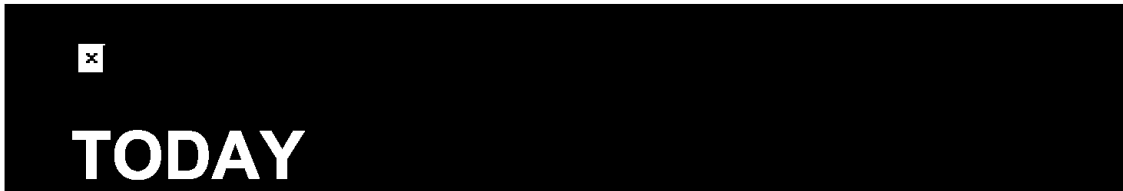
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To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: NBR TODAY: Metlifecare urges High Court to let shareholders have their say

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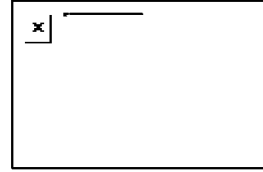
Thu, 28 May 2020



Metlifecare urges High Court to let shareholders have their say

Law • Premium

Engaging Metlifecare's owners now might avoid costly court case over disputed takeover, court hears.

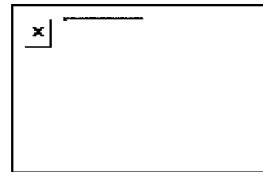


Reweti Kohere | Thu, 28 May 2020

Government confirms plan to clean up waterways but makes concessions

Politics • Premium

Federated Farmers welcomes the changes but still cautious about the detail.

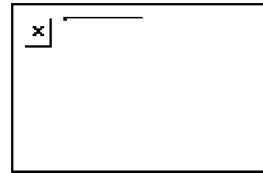


Brent Edwards | Thu, 28 May 2020

Market enthusiasm for smaller freight bundles evident

Business • Premium

Mainfreight's return to profit post-lockdown mimics US and EU trucking companies.

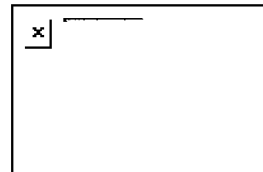


Julie Iles | Thu, 28 May 2020

Deputy PM: trans-Tasman bubble 'can't wait' for every state

Politics • Premium

Peters is advocating for a state-by-state approach, likely starting with Queensland and the Northern Territory.



Julie Iles | Thu, 28 May 2020

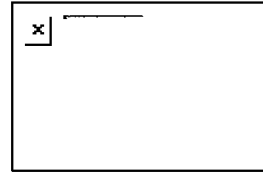


Trade wars, cold wars and Huawei

Analysis • Premium

Technology: Telco network giant may be forced to weather another blow.

Rob O'Neill | Thu, 28 May 2020

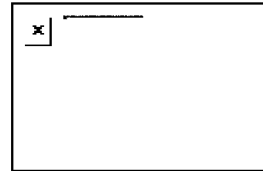


Restaurant Brands expects 'considerable' profit downgrade

Business • Premium

Impact of Covid-19 bites fast food chain.

Calida Stuart-Menteath | Thu, 28 May 2020

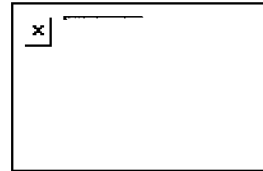


Bauer mags sell-off process thought to be reaching key milestone

Business • Premium

Simplicity's Sam Stubbs was one who was initially interested, but walked away.

Dita De Boni | Thu, 28 May 2020

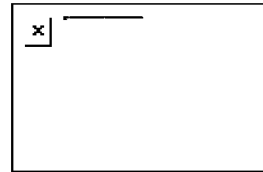


Banks are flush and part of post-Covid solution, says RBNZ

Politics • Premium

Geoff Bascand says more certainty will give banks confidence to lend that cash out.

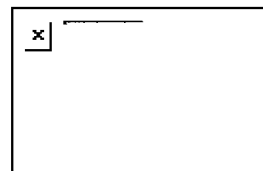
Brent Edwards | Thu, 28 May 2020



Public sector boards almost half full of women

Business • Premium

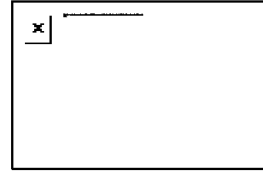
But ethnic diversity much less evolved on boards, committees.



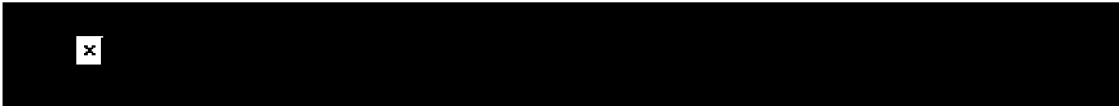
Missteps mark Todd Muller's first week as National Party leader

Analysis • Premium

Politics: His biggest challenge is promoting himself as the person to displace Jacinda Ardern.



Brent Edwards | Thu, 28 May 2020



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Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 3 June 2020 4:45 pm
To: Will Goodwin
Subject: MET (legally privileged and confidential)

Categories: In eDOCS Sent for filing

Hi

Sorry we cut our call short before. I had my monthly catch up with Stephen earlier and the topic of MET happened to come up [REDACTED]

[REDACTED] Anyway he may ask you about what your thoughts are on some of that stuff.

Cristina Billett



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Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 18 May 2020 8:39 pm
To: Will Goodwin; [REDACTED]
Subject: Letter to MET
Attachments: SUPERDOCS-#2146227-v1-Letterhead_template_-_with_updated_logo_.docx

Categories: In eDOCS Sent for filing

Hi

Please see attached the updated letter with our name and sign off. I have also put it on our letterhead (apologies the formatting is a bit rough) . Who is the letter being addressed to? You will need to add and Will you can sign it given it's not a legal letter as such. If you want to use your electronic signature I am sure [REDACTED] could help by putting it on docuSign.\

You should also send a copy to Conor.

I have quite a busy tomorrow but will try to find some time for the 3 of us to catch up on the options around call from earlier this evening.

Cristina

Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 1 May 2020 12:57 pm
To: Conor Roberts; Will Goodwin; [REDACTED]
Subject: RE: NBR Metlifecare

Categories: In eDOCS Sent for filing



I love the toothpick comment

Finally – the EQT reception shot would make a great zoom virtual background

Happy Friday – hard to think its Friday already!

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Friday, 1 May 2020 9:53 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: NBR Metlifecare

Here's Tim Hunter in today's NBR on Met

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 1 May 2020 9:43 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: NBR Metlifecare

A nice clean takeover scheme goes bad



Metlifecare board chair Kim Ellis still thinks the EQT deal is a good one

Covid-19 has thrown a spanner in the works at Metlifecare.

For all its promise of metaphorical eye-gouging and blood on the floor, legal action between corporates is like Hulk Hogan and Dwayne ‘The Rock’ Johnson fencing with toothpicks.

Instead of a mighty clash of titans, there is a jabbing of small pointed sentences.

The theatre of sweat and strife is a murmuring huddle, a flicking of papers.

Only the judge can tell who’s winning.

Such is the outlook for the looming bout between retirement village operator Metlifecare and its erstwhile suitor EQT, a Swedish private equity firm.

A huge amount of money is at stake - \$1.49 billion – so we are not talking tiddlywinks here.

The face-off involves EQT’s refusal to follow through on a deal agreed with Metlifecare’s board in late December to buy Metlife for said sum, equivalent to \$7 a share.

Since then, the global Covid-19 pandemic has intervened to upset many an apple cart, leading EQT to think twice about the wisdom of its acquisition.

The motivations are not hard to fathom.

Equity values slashed worldwide

Covid-19 has slashed equity values the world over and threatens a crippling global recession to boot. Most businesses are worth less now than they were in December and Metlifecare is no exception.

If EQT went ahead with the deal at \$7 a share, it could arguably kiss goodbye to a chunk of the returns it was hoping for down the track.

Meanwhile, Metlifecare's board, led by chair Kim Ellis, saw the deal as a good one for shareholders, having talked EQT up from \$6.50, and thinks it still is.

So far so simple.

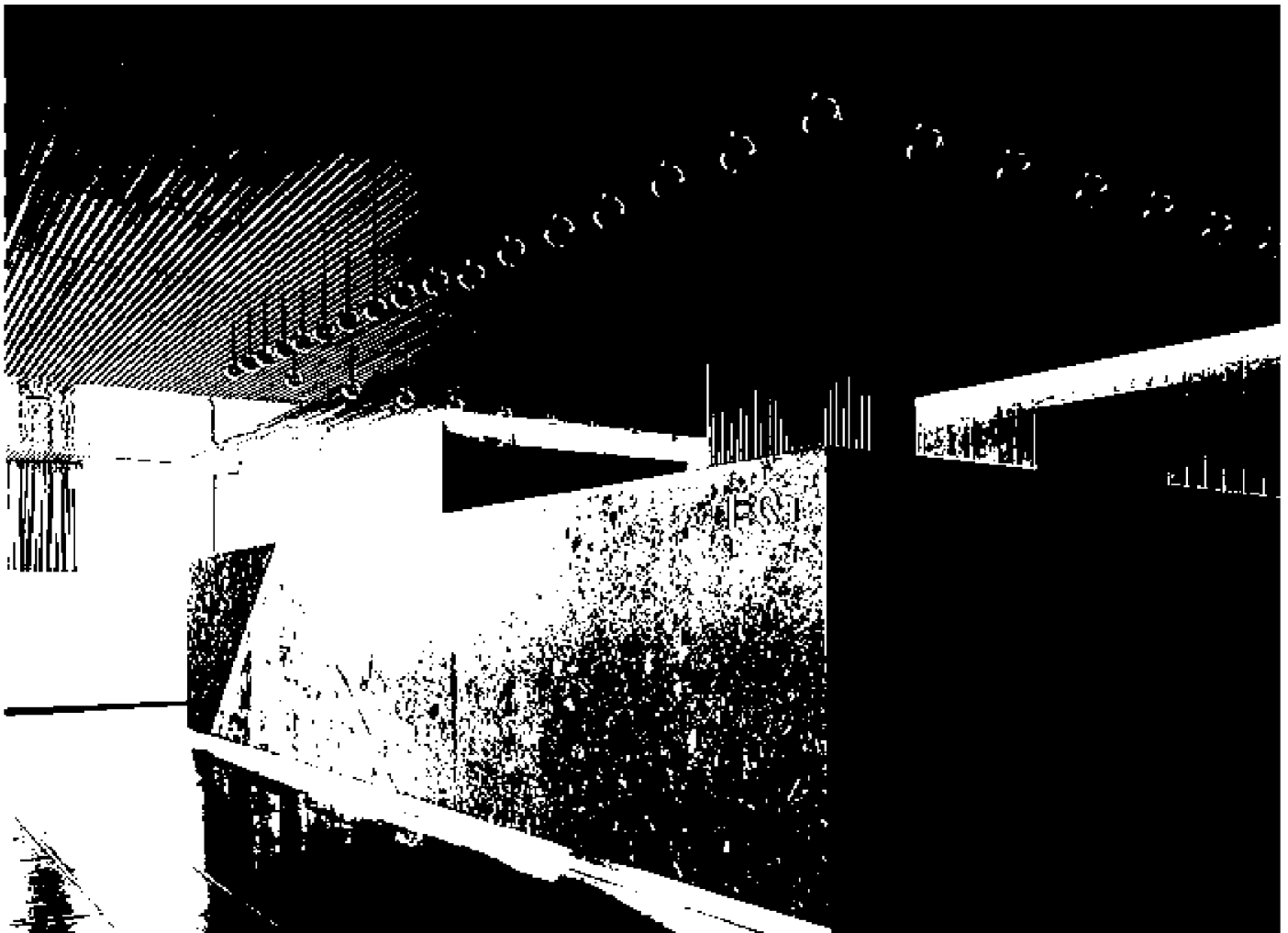
However, there is more than one level to this apparently straightforward stoush.

For the lawyers there is much to savour in the arguments over words in the contract – the scheme implementation agreement signed by Metlifecare director Mark Binns and EQT's lawyer Anna Buchly on December 29.

The important bit is clause 14.1(c), which allows EQT to terminate the deal in the event of "a material adverse change".

The Mac, as it is known, is closely defined and involves an event that can reduce Metlifecare's net tangible assets by \$100 million or its net profit by 10%.

EQT argues that the Covid-19 crisis has had just such an effect on Metlifecare to the extent that its NTA is down by \$200m and its net profit will fall by at least 10% in the year to June and the subsequent two years. Hence, it says, it has a right to terminate.



Inside EQT headquarters in Stockholm

Economic conditions

Not so fast, says Metlifecare.

On one hand, it says its business is not affected to anything like that degree by the coronavirus.

On the other, it cites a sub-clause of the agreement that excludes effects “resulting from changes in general economic conditions, the publicly traded securities market in general or law”.

Covid-19 is a general economic condition, it says, and the lockdown is a change in the law, so there is no Mac under the contract.

Each party appears convinced of its position and has hired QCs to prove it: Stephen Hunter for Metlifecare; Alan Galbraith and Mark O'Brien for EQT.

The way this seems likely to play out is Metlifecare will proceed as if the deal was going ahead, hold its shareholder meeting as planned on June 9 and then, assuming shareholders vote in favour, seek approval from the High Court.

It's at this point that the first stage of legal jabbing, murmuring and flicking will occur, as EQT seeks to persuade the judge that approval should not be granted.

Metlifecare, for its part, may well ask the judge not only to grant approval but also to give orders that EQT must complete the contract.

Uncharted territory

We are already in uncharted territory here but if the parties remain at loggerheads after that, we will go off the edge of the world and into a potential lawsuit filed by Metlifecare with litigation funding provided by its hedge fund shareholders.

The irony, you see, is that Metlifecare embarked on this whole exercise because its institutional shareholders were keen to sell.

Metlifecare, for reasons that would take too long to discuss, was one of the market's least favourite retirement village stocks and its share price had spent much of last year around \$4.50.

Such was its unpopularity, Ellis announced a share buyback at the October 24 annual meeting, saying the share price “represents a significant and largely unexplained discount to the underlying value of Metlifecare”.

A month later, with the share price at just over \$5, EQT came along with an indicative offer of \$6.50 and ultimately signed up at \$7.

Hedge funds

The thing about schemes of arrangement is much can go wrong between agreeing the deal and money changing hands, which is where the hedge funds come in.

To them, paying say, \$6.70, in expectation of a likely \$7 a few weeks later is a risk worth taking, while the traditional instos would rather bank the \$6.70, which may be a big gain on their entry price, than wait for the extra 30c.

The result is that many of the shareholders Metlifecare was listening to in accepting the EQT deal have now sold out and the ones who are now clamouring for EQT to complete are the hedgies who bought in for a quick flick.

Two shareholders who didn't sell out are the Super Fund and ACC, with 19.9% and 5.2% respectively.

Their appetite for legal action is unclear but it is understood ACC is happy to leave the legal heavy lifting to the company.

If that sounds like a weird situation, let's add the oddness of Metlifecare trying to sell the company to an unwilling buyer.

Without implying any legal issues here, the convention is for directors to act in the best interests of the company.

Is it in the best interests of a company to be sold to a buyer who wants to back out of the deal, or doesn't even understand the business?

EQT 'panicking'

In an interview with Radio NZ last month, an exasperated Ellis remarked that EQT was “panicking”.

“They don't even understand the business even though they've had untold data,” he said.

“They don't understand that this is a one-month pause in activity; [the] core business is in great shape.”

Ellis's position is that the company's interests are effectively those of shareholders.



One of aged care provider Metlifecare's villages. Photo: Metlifecare

"We've got a whole lot of quite new, hungry hedge fund shareholders who are determined to have blood out of this somehow," he says.

"We've got a duty of care to ensure we drive this thing as far as we can to protect value for them.

"The benefits all accrue to shareholders, not to the company, if we're successful. So we're going to be going to the shareholders at some stage and seeing if they want to fund the litigation if that's the result."

While Ellis is doing his duty on their behalf, whether the hedge funds will front the cash for a legal fight is anyone's guess. After all, their trading is based on taking the risk a deal will occasionally fall over.

More attractive opportunities

Meanwhile, EQT, which probably sees many more attractive opportunities for its \$1.5b post the Covid-19 collapse, has not just money at stake.

As commentators currently like to note, EQT walked away from a potential acquisition of Australian telco Vocus in the middle of last year, and a win on Metlifecare is essential if it is to avoid being seen as a serial welsher.

However, its backtrack on Metlifecare, even if successful, will have wider implications.

"I'd be very reluctant to enter into another scheme like this again," Ellis says.

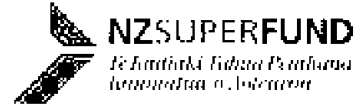
"It just turns dirty very quickly."



Schemes of arrangement, seen for some time as a way to get a nice clean takeover deal, place a great deal of pressure on boards to get the price right while their contractual terms can still allow uncertainty over whether the buyer will complete.

Compared to toothpick fencing, a straightforward arm wrestle may be preferable.



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 28 April 2020 3:28 pm
To: Will Goodwin
Subject: FW: MET: he said, she said as divorce gets messy

Categories: In eDOCS Sent for filing

FYI
Kind regards,

[REDACTED]
From: [REDACTED] <[REDACTED]@craigsip.com>
Sent: Tuesday, 28 April 2020 1:56 PM
Subject: MET: he said, she said as divorce gets messy

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Robyn Keriazes

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 28 April 2020 2:29 pm
To: [REDACTED]; Will Goodwin
Subject: RE: MET: he said, she said as divorce gets messy

Categories: In eDOCS Sent for filing

Ok I have just been on a call for an hour so I am behind
Hang fire

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 28 April 2020 2:28 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: MET: he said, she said as divorce gets messy

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 28 April 2020 2:24 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: MET: he said, she said as divorce gets messy

From: Craig Lindberg <[REDACTED]@craigsip.com>
Sent: Tuesday, 28 April 2020 1:55 PM
Subject: MET: he said, she said as divorce gets messy

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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Wednesday, 22 April 2020 6:59 pm
To: Will Goodwin; Cristina Billett; [REDACTED]
Cc: Catherine Etheredge
Subject: Re: Metlifecare

Categories: In eDOCS Sent for filing, In eDOCS, #3104733, #3098341

I spent a bit of time talking with Patrick yesterday to explain our position and the wider issues. [REDACTED]
[REDACTED]

Conor Roberts
NZ Super Fund
Senior Communications Strategist
+64 21 124 6004

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, April 22, 2020 6:57:02 PM
To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Subject: Re: Metlifecare
It is a cracker - EQT will hate it

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From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, April 22, 2020 6:31:13 PM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Subject: RE: Metlifecare
What a great read!

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Wednesday, 22 April 2020 5:44 PM
To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Subject: Re: Metlifecare

https://www.nzherald.co.nz/premium/news/article.cfm?c_id=1504669&objectid=12326797

Here's Patrick Smellie's take on the stoush. He called for comment yesterday so I provided him with the line

Conor Roberts
NZ Super Fund
Senior Communications Strategist
+64 21 124 6004

Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 20 April 2020 11:27 am
To: [REDACTED]; Cristina Billett; Catherine Etheredge; Will Goodwin
Cc: [REDACTED]
Subject: Re: Metlifecare

Categories: In eDOCS Sent for filing, In eDOCS, #3104742

Hi - I've had a call from RNZ. I'll give you a call [REDACTED] and then provide this unless anyone has any issues with that.

C

Conor Roberts
NZ Super Fund
Senior Communications Strategist
+64 21 124 6004

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, April 17, 2020 2:48:06 PM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Metlifecare

Hi Conor,

We're expecting further market announcements will likely start flowing from Metlifecare / EQT at some point as we don't envisage either party wanting to back down from their positions re: the takeover. In light of the inbound interest stemming from that, we thought it would be useful to expand a little on the "no comment" response. Below is some suggested wording (no need to update the existing no comment responses). Give me a call when you have a chance and I can talk you through the rationale.

"As announced to the market on 30 December 2019, [NZ Super Fund] has entered into and remains bound by a voting deed with Asia Pacific Village Group ("APVG"), an entity owned by EQT Infrastructure IV fund. Under the voting deed, [NZ Super Fund] has agreed to vote its shares in favour of the scheme of arrangement. [NZ Super Fund] holds 19.86% of Metlifecare's shares.

As NZ Super is not a party to the Scheme Implementation Agreement between APVG and Metlifecare, we are unable to make any further comments on the discussions between the parties."

Regards,
[REDACTED]

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Wednesday, 15 April 2020 10:55 AM
To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: Re: Metlifecare

All good. Call was about something else

Thanks for this. I'll provide no comment.

Will has MET settled on Aussie PR support or who can I pass the journo on to at the business?

Thanks

Conor

Conor Roberts

NZ Super Fund
Senior Communications Strategist
+64 21 124 6004

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Sent: Wednesday, April 15, 2020 10:48:55 AM

To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>

Subject: RE: Metlifecare

I have a missed call from you Conor when I was on another call so this might have bene why – we can't comment on this and we aren't a party to the SIA (which has the MAC clause)

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Wednesday, 15 April 2020 10:47 AM

To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Subject: RE: Metlifecare

Just copying in Cristina as well on this.

Given our Voting Deed with EQT, I think we just need to be very careful on any comments we make (if any) to avoid being seen to be influencing discussions between Metlifecare and EQT either way.

From: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>

Sent: Wednesday, 15 April 2020 10:41 AM

To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>

Subject: RE: Metlifecare

Thanks for letting us know [REDACTED]

FYI Conor has also been contacted and will coordinate with Will/Metlife

Cheers

Catherine

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Wednesday, 15 April 2020 10:38 AM

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>

Subject: Metlifecare

Hi all

I received a missed call late yesterday from Harry Brumpton a Bloomberg News reporter in Sydney covering Deals and Corporate Finance.

He is looking to interview shareholders of Metlifecare either on record or not. His number is [REDACTED]

I'll leave it with you to respond to him.

Regards

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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 17 April 2020 9:57 pm
To: Will Goodwin
Subject: End of week update
Attachments: 2883928-3-Investee_Company_Covenant_Monitoring_-_Covid19.XLSX.DRF

Categories: In eDOCS Sent for filing

Hi Will,

A few updates in one place to close out another week.

Top topics for portfolio:



Enjoy the weekend,





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Page redacted



Page redacted



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Page redacted



Page redacted

Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 17 April 2020 9:11 am
To: Cristina Billett; Will Goodwin
Cc: [REDACTED]
Subject: Metlifecare - DRAFT Media Statement

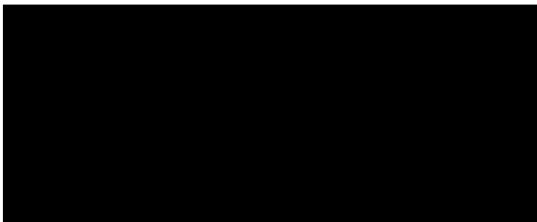
Categories: In eDOCS Sent for filing, In eDOCS, #3104747

Hi, see below a DRAFT media statement regarding Metlifecare situation should we be approached to comment on the ongoing discussions between EQT and Metlifecare:

“As announced to the market on 30 December 2019, [NZ Super Fund] has entered into a voting deed with Asia Pacific Village Group (“APVG”), an entity owned by EQT Infrastructure IV fund. Under the voting deed, [NZ Super Fund] has agreed to vote its shares in favour of the scheme of arrangement. [NZ Super Fund] holds 19.86% of Metlifecare’s shares.



As NZ Super is not a party to the Scheme Implementation Agreement between APVG and Metlifecare, we are unable to make any further comments on the discussions between the parties.”

Have kept it simple and to the point. The majority of the wording in the first line simply echoes wording in EQT’s announcement. I’ll pass on to Catherine and/or Conor post any comments you might have.



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Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Thursday, 9 April 2020 12:55 pm
To: Will Goodwin
Cc: [REDACTED]
Subject: MET

Categories: In eDOCS Sent for filing



Will,

Did you want us to flick a short note to the IC on the MET announcement – simply noting what said and that we aren't a party to the agreement so have limited levers to pull until MET and EQT talk it out?



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Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Wednesday, 8 April 2020 8:25 am
To: Matt Whineray; Stephen Gilmore; Will Goodwin
Cc: Catherine Etheredge; Sarah Owen
Subject: FW: undefined - NZ Superannuation Fund

Categories: In eDOCS Sent for filing, In eDOCS, #3099313

The Fin is reporting the Metlifecare deal is off

C

From: mediaportal.nz@isentia.com <mediaportal.nz@isentia.com>
Sent: Wednesday, 8 April 2020 8:21 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Subject: undefined - NZ Superannuation Fund

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MEDIAPORTAL ALERT undefined - NZ Superannuation Fund



(1 item)



Deal off: EQT Infrastructure pulls \$1.46b aged care takeover

08 Apr 2020 08:01 AM • Australian Financial Review
by Sarah Thompson, Anthony Macdonald Tim Boyd

Read on source site

Brief: Internet Global - NZ Super • ASR: NZD 5,247 • 287 words • Market: Australia
• Item ID: 1258842589 • Sentiment: Neutral

Keywords: New Zealand(2), Superannuation Fund(1)

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Robyn Keriazes

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 6 November 2020 12:27 pm
To: Catherine Etheredge
Subject: RE: Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy

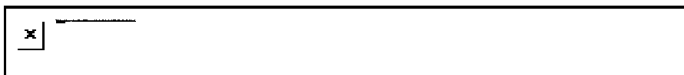
Categories: In eDOCS Sent for filing

Fantastic 😊

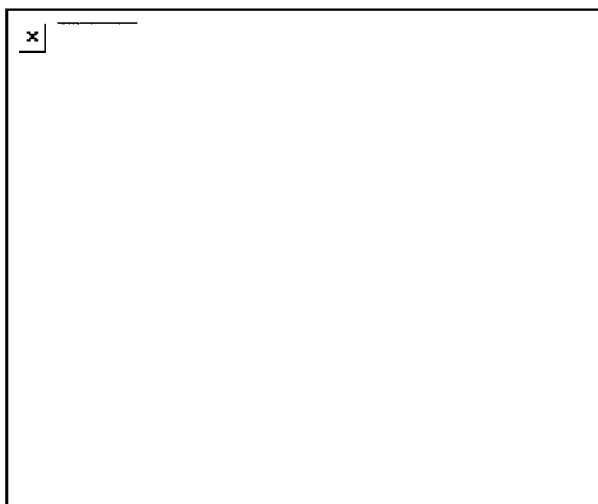
From: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Sent: Friday, 6 November 2020 12:22 pm
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy

From: no-reply=businessdesk.co.nz@mail.businessdesk.co.nz <no-reply=businessdesk.co.nz@mail.businessdesk.co.nz> **On Behalf Of** BusinessDesk
Sent: Friday, 6 November 2020 11:26 AM
To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>
Subject: Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy

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Now Swedish-owned Metlifecare to repay \$6.8m wage subsidy

Published: Fri, 06 Nov 2020

By Staff reporters

Metlifecare's new board has decided to repay the \$6.8 million wage subsidy the company received before it was taken over by Sweden-based EQT.

"The whole Metlifecare team has done an extraordinary job in managing the covid-19 crisis and should be commended for their efforts," new chair Paul McClintock said in a statement announcing the decision.

"While covid-19 has created significant and lasting economic uncertainty globally and in New Zealand, and Metlifecare did qualify for the scheme, EQT and the board has now determined that repaying the wage subsidy is the right thing to do," McClintock said.

EQT representative Ken Wong said: "EQT is very conscious this scheme was put in place by the government to support vulnerable businesses through a period of unprecedented uncertainty.

"Given the valuable work undertaken by all Metlifecare staff through the covid crisis, and the essential nature of all Metlifecare employees, EQT believes that it is in the spirit of the scheme to return the subsidy."

Fellow retirement village operators Ryman Healthcare and Summerset also received a wage subsidy of \$14 million and \$8.7 million respectively.

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Robyn Keriazes

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 23 September 2020 8:35 am
To: [REDACTED]; Cristina Billett
Cc: [REDACTED]; [REDACTED]
Subject: RE: Metlifecare News

Categories: In eDOCS Sent for filing, In eDOCS, #3104675

Sounds good to me

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 23 September 2020 8:29 am
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: FW: Metlifecare News

Will, Cristina,

Am about to give AMO the greenlight to get the process rolling on the vote. I see no reason to delay this any further + would prefer to get it out the way this week to avoid any rush to do it early next.

Cristina – also wanted to confirm my understanding that other than the FOR vote, we aren't required to do anything else (e.g. provide confirmation to EQT etc) – I will also email Joe W shortly to confirm with him as well.

If either of you had a different view, can you let me know by 11am.

Regards,

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 21 September 2020 12:08 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Metlifecare News

Hi Both

Please confirm you are happy to instruct a FOR vote in support of the ESG resolution for Metlifecare.

Thank you

From: [REDACTED]
Sent: Tuesday, 15 September 2020 1:14 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Metlifecare News

Hi [REDACTED]

MET is on the voting platform – we can instruct anytime up to 30 September.
Please review and provide a recommendation by email cc [REDACTED] in.

Thank you

[REDACTED]

[REDACTED]

From: [REDACTED]
Sent: Tuesday, 15 September 2020 12:15 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: Metlifecare News

Hi [REDACTED] & Will

I have asked ISS to alert us to when the deferred and updated EGM materials and voting is available on the ISS platform.

Will keep you posted – and assume is a vote FOR.

Thanks for sending on the announcement.

[REDACTED]



PO Box 106 607, Auckland 1143, New Zealand
Level 12, Zurich House, 21 Queen Street, Auckland 1010, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz



From: Will Goodwin <[redacted]@nzsuperfund.co.nz>
Sent: Monday, 14 September 2020 8:44 AM
To: [redacted] <[redacted]@nzsuperfund.co.nz>
Cc: [redacted] <[redacted]@nzsuperfund.co.nz>; [redacted] <[redacted]@nzsuperfund.co.nz>
Subject: FW: Metlifecare News

[redacted]

Just checking – are we all lined up for voting/already sent in our votes?

Cheers

Will

From: Metlifecare Limited <news@metlifecare.co.nz>
Sent: Monday, 14 September 2020 8:37 am
To: Will Goodwin <[redacted]@nzsuperfund.co.nz>
Subject: Metlifecare News

Alert: External Email. If unknown sender or email address do not click links/attachments and never give out your username or password.

Investor News and Business Updates from Metlifecare Limited, one of New Zealand's leading retirement village and aged care providers.

[View this email in your browser](#)

MEDIA RELEASE

14 September 2020

OIO Consents to Acquisition of Metlifecare

Metlifecare Limited (NZX: MET, ASX: MEQ) has been advised by Asia Pacific Village Group Limited (**APVG**) that the New Zealand Overseas Investment Office (**OIO**) has granted APVG consent to acquire 100% of Metlifecare.

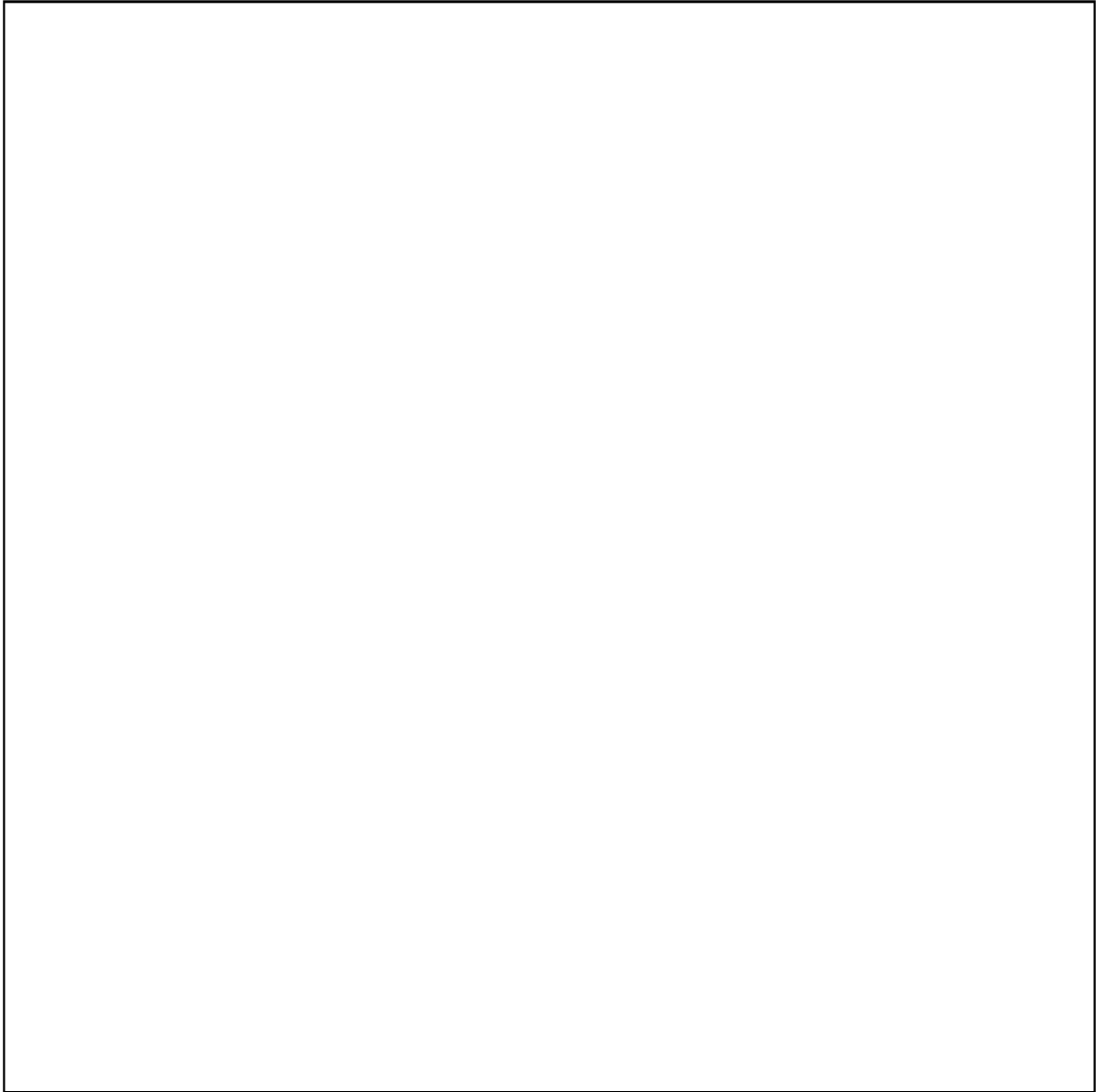
APVG's receipt of OIO consent is an important step in progressing APVG's proposed acquisition of Metlifecare by way of a Scheme of Arrangement (**Scheme**).

Following receipt of the consent, the remaining key conditions are the approval of the Scheme by Metlifecare's shareholders and approval by the High Court. If the remaining conditions of the Scheme are satisfied, the acquisition is expected to complete on 29 October 2020.

Metlifecare shareholders will vote on the Scheme at a special meeting to be held on 2 October 2020. The notice of meeting and Scheme booklet, including the Independent Adviser's report prepared by Calibre Partners, were released on 3 September 2020. The Scheme booklet contains all the information that Metlifecare shareholders should need to assess the merits of the Scheme before voting.

Shareholders are strongly encouraged to vote on the Scheme whether or not they support it and regardless of how many Metlifecare shares are held.

To view the full announcement please [click here](#)



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Our mailing address is:

Metlifecare Limited

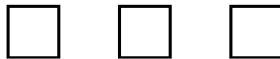
Level 4, 20 Kent Street

Newmarket, Auckland 1023

New Zealand

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▪

Robyn Keriazes

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 18 September 2020 8:05 am
To: Conor Roberts; [REDACTED]; [REDACTED]
Subject: RE: NZSA will vote proxies against Metlifecare takeover

Categories: In eDOCS Sent for filing

[REDACTED]

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>

Sent: Friday, 18 September 2020 7:36 am

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: Fwd: NZSA will vote proxies against Metlifecare takeover

FYI

Conor Roberts
NZ Super Fund
Senior Communications Strategist
+64 21 124 6004

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Friday, September 18, 2020 7:27:02 AM

To: Conor Roberts <CRoberts@nzsuperfund.co.nz>

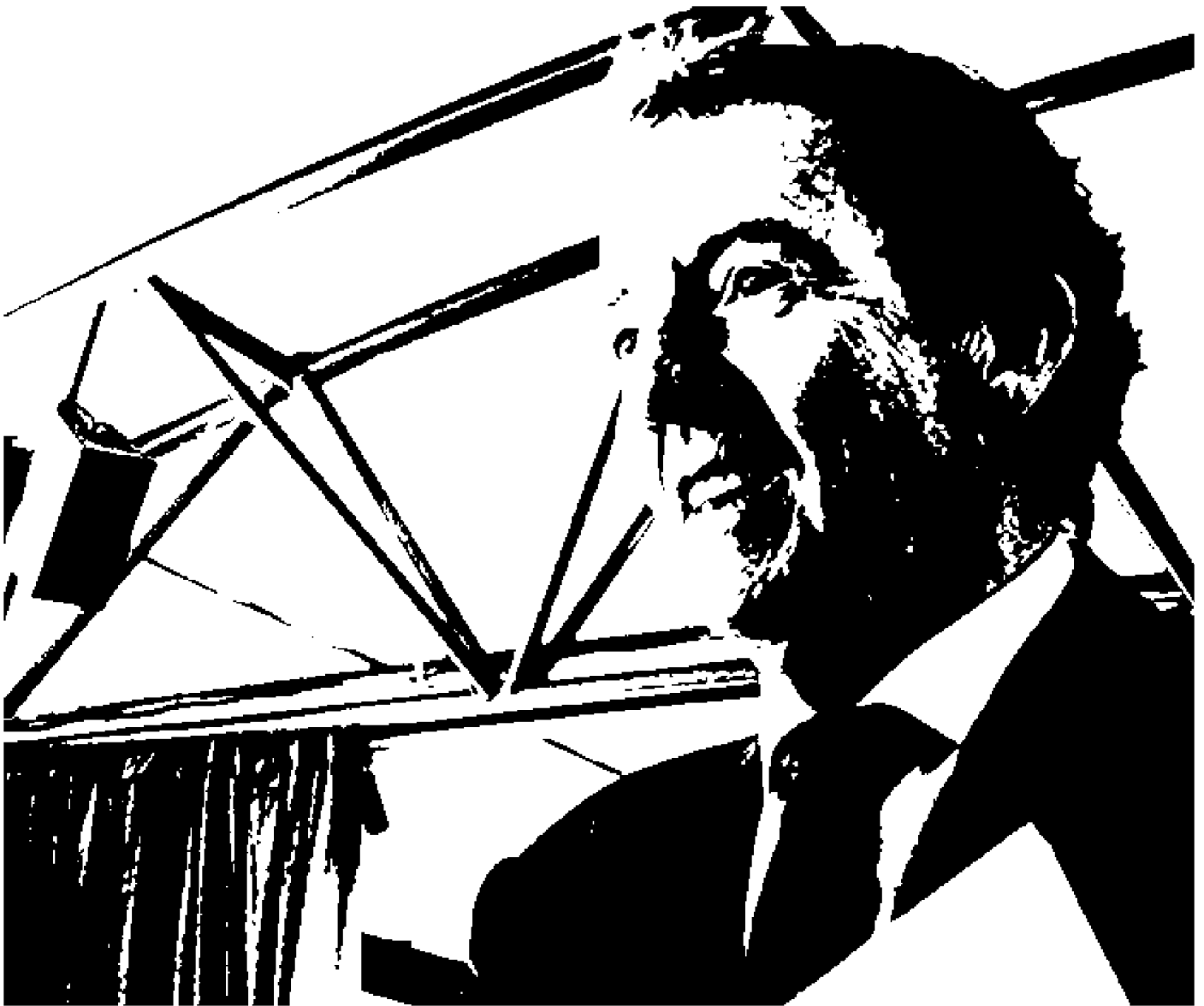
Subject: NZSA will vote proxies against Metlifecare takeover

NZSA will vote proxies against Metlifecare takeover

Shareholder group criticises most of Metlife's board and NZ Super for pushing the deal.

By **Calida Stuart-Menteath**

Thu, 17 Sep 2020



NZSA chief executive Michael Midgley

The NZ Shareholders' Association does not support the takeover of Metlifecare, and will direct proxy votes against the scheme of arrangement.

Shareholders are due to vote on the takeover by Asia Pacific Village Group – a subsidiary of Switzerland's EQT Infrastructure – at midday on October 2 at an online meeting (with a physical meeting in Auckland if Covid-19 restrictions ease).

For the scheme to succeed, more than 75% of the votes cast and more than 50% of the total number of Metlifecare shares on issue must be voted in favour.

Retail shareholder group NZSA – which is chaired by Tony Mitchell with Michael Midgley its chief executive – said this afternoon it will vote any undirected proxies it holds against the scheme.

This is because the offer, at \$6 a share – down from \$7 in the original scheme agreement made in December – is below the current net tangible assets per share (about \$7.18) and below the \$6.35 mid-point of the independent valuation.

The independent valuation – by Calibre Partners – is the same as at the first proposal, yet in the interim the average share price of the four other companies in the sector has lifted more than 14%.

“Even though the shares have been trading at a significant discount to NTA shareholders might reasonably expect, in a takeover situation, that a higher price, close to NTA, is appropriate. Shareholders may wonder whether they are being offered a sufficient premium for control,” NZSA said.

The shareholder group argued the company has a solid future and does not need to be rescued or bailed out and the offeror obviously sees value in the company.

“Many commentators have said the share price will drop if the offer does not proceed. However, although the price fell last time, that was because of Covid-19 and hedge funds dropping the stock.

“At least one analyst is now saying that though the price may fall if the scheme does not succeed, they expect that any fall will be lower than last time. Such a fall may well be short-term in nature as it will be largely driven by hedge funds once again bailing out.”

It also noted directors were not unanimous in supporting the scheme – chairman Kim Ellis will vote against it – and wondered whether the board had performed to the standard shareholders expected.

“Why would directors recommend this offer for a profitable company which, despite having been the retirement sector laggard, has now actually outperformed its own expectations?

“Many investors will have bought in to Metlifecare because they saw it as better value than its listed comparators. If the company is sold, current investors will lose the opportunity to see this value gap close.”

NZ Super helping ‘gut’ the capital market

NZSA also did not see the rationale for 19.9% shareholder NZ Super Fund to support the deal, when the government was keen to see it invest more locally.

“If [NZ Super] has a long term view then it should be nurturing and helping businesses that do real things instead of effectively aiding the progressive gutting of the local capital market.”

The group also criticised the use of a scheme to structure the deal, and said inequality of information among the parties is a major drawback and retail investors are disadvantaged.

“Schemes are loaded in favour of predatory investors who can, in a range of circumstances, exert pressure on boards. The lower threshold than for takeovers enhances that power to the serious disadvantage of retail and long-term investors.”

NZSA warned against a possible solicitation for proxy votes.

APVG has engaged Georgeson Shareholder Communications Australia to help solicit proxy votes in favour of the scheme, and shareholders may be telephoned by this company.

“We suggest you do your own research rather than rely on advice from the group attempting the takeover.

“The fact that the bidder is actively soliciting support from shareholders with even relatively small numbers of shares indicates that its confidence is not absolute.”

Disagreement on the board

Metlifecare chairman Kim Ellis

APVG attempted call off the original deal by claiming a material adverse change (MAC) due to Covid-19 – Metlife’s board disagreed and threatened costly litigation.

Earlier this month, chairman Ellis recommended shareholders vote against the scheme and said the NZ Super Fund tied the board’s hands from negotiating a higher price.

The super fund voiced its support for the new \$6 offer – on the basis of no litigation and no MAC offer – after it was presented on July 5.

But Ellis believed the company had a strong case for litigation, backed by its full-year results announced on August 26, which he said showed the MAC financial thresholds from the original scheme agreement would not have been triggered – despite APVG’s assertions to the contrary.

A majority of the Metlifecare board – Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass – recommend shareholders vote in favour of the scheme, in the absence of a superior proposal. These directors will vote all shares they hold or control in favour.

They decided in favour of the scheme, as “while Metlifecare’s legal advice indicated the original scheme litigation had undoubted merit, the matter was not clear cut and the path through to obtaining a favourable final judgment and then successful enforcement would have been difficult and could have taken some years to fully resolve.”

They said if the initial \$7 offer was discounted at an appropriate rate for the uncertainties and disruption involved and the time involved to obtain a favourable final judgment then enforce it, then a rational shareholder could accept \$6 to recognise the risks and time value of money associated with Metlifecare continuing a legal battle.

Director Carolyn Steele abstained from making a recommendation, given her previous association with the NZ Super Fund, Metlifecare’s largest shareholder. (NZSA said this should not be relevant, as now her duty is to Metlifecare.)



The company made an after-tax loss of \$33.7 million in the year to June 30, down 166% on last year’s profit of \$51.2m, on dampened property revaluations due to Covid-19. Its underlying profit before tax – which strips out the fair value movement of property and other impairments – was \$98.3m, flat on 2019.

No guidance was provided for the first half of 2021 and no dividend was declared, in line with the terms of the takeover agreement.

Metlifecare, established in 1984, has more than 5600 residents. It owns and operates 25 villages, predominantly located in the upper North Island.

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Robyn Keriazes

From: Mark Fennell <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 16 March 2020 8:54 am
To: Will Goodwin; Matt Whineray; Stephen Gilmore
Cc: Portfolio Completion
Subject: FW: (NZX) [Delayed] TRANSACT: MET: Update on Progress with Scheme

Categories: In eDOCS Sent for filing

From: Mark Fennell (GUARDIANS OF NZ SUPE) <[REDACTED]@bloomberg.net>
Sent: Monday, 16 March 2020 8:53 AM
To: Mark Fennell <[REDACTED]@nzsuperfund.co.nz>
Subject: (NZX) [Delayed] TRANSACT: MET: Update on Progress with Scheme

Alert: External Email. If unknown sender or email address do not click links/attachments and never give out your username or password.

BN 03/15 19:37 *METLIFECARE SAYS NO REASON TO BELIEVE CONDITIONS NOT SATISFIED
BN 03/15 19:37 *METLIFECARE: APVG CONTINUES WORKING TO FINALIZE ARRANGEMENTS
BN 03/15 19:35 *METLIFECARE CONFIRMS SIA CONTAINS LIMITED TERMINATION EVENTS

[Delayed] TRANSACT: MET: Update on Progress with Scheme
2020-03-15 19:50:56.80 GMT

This story was delayed by 20 minutes.

MEDIA RELEASE
16 March 2020

UPDATE ON PROGRESS WITH METLIFECARE SCHEME IMPLEMENTATION

Metlifecare Limited (NZX: MET, ASX: MEQ) has noted recent stock market volatility and some speculative commentary about its scheme implementation agreement (SIA) with Asia Pacific Village Group Limited (APVG), an entity owned by EQT Infrastructure IV Fund and managed by EQT Fund Management S.a r.l.

Metlifecare confirms the SIA contains limited termination events and does not include any market fall or force majeure termination event.

The SIA "Material Adverse Change" termination event definition has high financial materiality thresholds* and excludes events resulting from changes in general economic conditions, the publicly traded securities market in general or law, as long as such general impacts do not have a materially disproportionate effect on Metlifecare and its subsidiaries.

Contrary to a recent broker commentary, APVG is not entitled to elect to cancel the SIA at its option and pay a reverse break fee. The reverse break

fee is only payable if APVG is in material breach of, and Metlifecare terminates, the SIA.

APVG has continued to work co-operatively with Metlifecare to finalise arrangements for the meeting of shareholders to approve the scheme, scheduled for 29 April 2020. Metlifecare also understands APVG's application for approval under the Overseas Investment Act remains on track to be determined prior to the shareholders' meeting.

Metlifecare therefore has no reason to believe that the conditions of the SIA will not be satisfied to enable the scheme to be implemented in late May 2020.

The Metlifecare Board continues to unanimously recommend shareholder approval of the scheme, in the absence of a Superior Proposal (as defined in the SIA).

This announcement is authorised for release to the market by the Board of Metlifecare Limited.

Ends

For more information please contact:

Kim Ellis, Chair

Mobile: +64 21 938 276

About Metlifecare

Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and outstanding care to more than 5,600 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 25 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island.

*In summary the financial thresholds are:

- (a) a reduction in Metlifecare's consolidated net tangible assets by at least NZ\$100 million; or
- (b) a 10% or more reduction in consolidated underlying net profit (including non-recurring items and calculated using the same accounting policies and methodologies in place as at 29 December 2019) in any financial year (amount specified for the FY20F year: \$88.5 million).

A full copy of the Scheme Implementation Agreement is available to view at: <http://nzx-prod-s7fsd7f98s.s3-website-ap-southeast-2.amazonaws.com/attachments/MET/346608/314714.pdf>

End CA:00349947 For:MET Type:TRANSACT Time:2020-03-16 08:30:56

-0- Mar/15/2020 19:30 GMT

-0- Mar/15/2020 19:50 GMT

Robyn Keriazes

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 30 December 2019 10:17 am
To: [REDACTED]; [REDACTED]; Will Goodwin
Subject: FW: Sale of Metlifecare

Categories: In eDOCS Sent for filing

Well done guys. Hopefully you get a break now for New Years!

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 30 December 2019 9:24 AM
To: Team <Team@nzsuperfund.co.nz>
Subject: Sale of Metlifecare

Hi Team

Today there was an NZX announcement outlining our intention to sell our 19.9% stake in Metlifecare (MET), via EQT's recently announced scheme of arrangement. We purchased the majority of our stake in MET back in 2013 at a price of \$3.53, the proposed exit of \$7.00 now values our stake at ~\$300m.

I'm emailing all staff with the news, given many of you won't see Supercharged while you're on your break.

A condition of our support for this offer means that the Guardians cannot encourage or solicit competing offers. This extends to all Guardians staff so if you do have any approaches please refrain from discussing and send these through to Will Goodwin. (**Please note** - we have retained the right to have discussions with other potential parties but there are various limitations on what can be discussed)

These conditions will remain in place until the outcome of EQT's offer is certain. While EQT's offer has received support from the MET Board their offer is still subject to a number of conditions including OIO approval and a final shareholder vote. Therefore EQT's offer, and the accompanying conditions, may continue through to the end of September.

We will keep you all informed of any further developments. If you have any specific questions, please feel free to discuss these with Will, [REDACTED] or [REDACTED].

I hope you are enjoying the holidays.

Kind regards,



Conor

Conor Roberts

DDI: +64 9 366 4924
Mobile: +64 21 124 6004
Email: croberts@nzsuperfund.co.nz

PO Box 106 607, Auckland 1143, New Zealand
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MEDIA RELEASE

30 December 2019

METLIFECARE BOARD UNANIMOUSLY RECOMMENDS SCHEME OF ARRANGEMENT WITH EQT INFRASTRUCTURE IV

Metlifecare Limited (NZX: MET, ASX: MEQ) has entered into a Scheme Implementation Agreement (SIA) under which Asia Pacific Village Group Limited, an entity owned by EQT Infrastructure IV fund and managed by EQT Fund Management S.à r.l., ("EQT Infrastructure IV"), has agreed to acquire all Metlifecare's shares for \$7.00 per share.

The Metlifecare Board unanimously recommends shareholders vote in favour of the transaction, subject to the scheme price being within or above the valuation range specified by an independent adviser, and, in the absence of a Superior Proposal (as defined in the SIA).

The transaction price represents an improvement of 50 cents on the previous non-binding indicative offer of \$6.50 as advised to the market on 19 December 2019. The Board has received strong support for the transaction from a number of institutional shareholders. The Board and Executive Team members who own Metlifecare shares have confirmed that they will vote their shares in favour of the transaction, subject to the scheme price being within or above the valuation range specified by an independent adviser, and, in the absence of a Superior Proposal.

Metlifecare Board Chair, Kim Ellis said "The Board is pleased to have achieved this outcome on behalf of shareholders. The Board has made it clear for some time that the market has undervalued the company. The price of \$7.00 represents a 67% premium to the company's 52-week trading low and a 38% premium to the closing price prior to the announcement of the initial offer and is within the company's own valuation range.

"Throughout the negotiation process, the Board has had comfort that EQT's philosophy and values align with those of Metlifecare. We are confident that they will continue to focus on ensuring Metlifecare's village and care operations have customers at the core, as well as growing the business through development of new villages," said Mr Ellis.

Ken Wong, Managing Director at EQT Partners and Investment Advisor to EQT Infrastructure IV, said: "We are delighted about the opportunity to partner with Metlifecare and are fully committed to supporting Metlifecare and its management team to embark on this exciting journey to develop and operate high-quality retirement villages and continue to provide the exceptional care to New Zealanders which Metlifecare is known for."

The transaction will be implemented by a scheme of arrangement, a court-supervised process under which a meeting of shareholders will be held to vote on the transaction.

Metlifecare shareholders do not need to take any action at this time. They will be given the opportunity to vote on the scheme at a special meeting of shareholders, currently expected to be held in April 2020. A scheme booklet will be sent to shareholders with details of the special meeting and a copy of

Metlifecare

an independent adviser's report prepared in accordance with guidance of the Takeovers Panel. Metlifecare expects to appoint an independent adviser shortly.

The scheme is subject to customary conditions including shareholder approval, High Court approval, Overseas Investment Office consent and no Material Adverse Change (as defined in the SIA). It is currently contemplated that the scheme will be implemented in May 2020.

A copy of the SIA and EQT's announcement accompany this announcement.

Metlifecare has been advised on the transaction by Jarden Limited, Simmons Corporate Finance Limited and Chapman Tripp.

Ends

For more information please contact:

Kim Ellis, Chair

Mobile: +64 21 938 276

About Metlifecare

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About EQT

EQT is a differentiated global investment organization with more than EUR 62 billion in raised capital and around EUR 41 billion in assets under management across 20 active funds.

EQT funds have portfolio companies in Europe, Asia and the US with total sales of more than EUR 21 billion and approximately 127,000 employees. EQT works with portfolio companies to achieve sustainable growth, operational excellence and market leadership. It has extensive experience across multiple sectors including health and aged care and a long-term investment horizon.

EQT is a large investor in the healthcare sector in Europe with an unparalleled network of advisors within the EQT Network. Some of EQT's notable investments in the sector include Charleston, a buy-and-build strategy in the German nursing home care market, and I-MED, a leading diagnostic imaging provider in Australia.

Robyn Keriazes

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 30 December 2019 9:22 am
To: Will Goodwin
Cc: [REDACTED]; [REDACTED]; Mika Austin; Sarah Owen; Cristina Billett; Matt Whineray; Stephen Gilmore
Subject: RE: MET - Board Email and internal comms
Categories: In eDOCS Sent for filing, In eDOCS, #3098356, #2752061, #2742618

Thanks for this.

Just confirming I have sent this to the board and as an email to all staff (given many are unlikely to see Supercharged and the restrictions on what we can say to other parties)

Hope you are all enjoying a good break

Regards,

Conor

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 30 December 2019 8:52 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: MET - Board Email and internal comms

Conor – MET's announcement is up (attached). Please attach to the comms and good to go. Thanks!

Will

From: Will Goodwin
Sent: Sunday, 29 December 2019 9:05 PM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
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Conor – confirming the below are in final form subject to attaching the NZX announcement (I will send this through when released on Mon am).

Thanks

Will

Email to be sent to the Board

Dear Board,

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A condition of our support for this offer means that the Guardians cannot encourage or solicit competing offers. This extends to the Board so if you do have any approaches please refrain from discussing and send these through to Will Goodwin. **(Please note - we have retained the right to have discussions with other potential parties but there are various limitations on what can be discussed)**

These conditions will remain in place until the outcome of EQT's offer is certain. While EQT's offer has received support from the MET Board, their offer is still subject to a number of conditions including OIO approval and a final shareholder vote. Therefore EQT's offer, and the accompanying conditions, may continue through to the end of September.

We will keep the Board informed of any material developments. If you have any specific questions, please send these through.

Internal Communications

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We will keep you all informed of any further developments. If you have any specific questions, please feel free to discuss these with Will, [REDACTED] or [REDACTED].

From: [Mika Austin](#)
To: [Will Goodwin](#)
Subject: Re: MET - Board Email and internal comms
Date: Monday, 30 December 2019 9:00:11 am

Thanks Will.

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From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, December 30, 2019 8:52:26 AM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
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Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
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Internal Communications

Hi Team

Today there was an NZX announcement outlining our intention to sell our 19.9% stake in Metlifecare (MET), via EQT's recently announced scheme of arrangement. We purchased the majority of our stake in MET back in 2013 at a price of \$3.53, the proposed exit of \$7.00 now values our stake at ~\$300m.

A condition of our support for this offer means that the Guardians cannot encourage or solicit competing offers. This extends to all Guardians staff so if you do have any approaches please refrain from discussing and send these through to Will Goodwin. **(Please note** - we have retained the right to have discussions with other potential parties but there are various limitations on what can be discussed)

These conditions will remain in place until the outcome of EQT's offer is certain. While EQT's offer has received support from the MET Board their offer is still subject to a number of conditions including OIO approval and a final shareholder vote. Therefore EQT's offer, and the accompanying conditions, may continue through to the end of September.

We will keep you all informed of any further developments. If you have any specific questions, please feel free to discuss these with Will, [REDACTED] or [REDACTED].

From: Cristina Billett
To: Will Goodwin; Sarah Owen
Subject: Re: MET - Board Email
Date: Tuesday, 24 December 2019 6:58:41 pm

Cool

[REDACTED]

Cristina

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From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, December 24, 2019 5:31:46 PM
To: Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: Re: MET - Board Email
Yep - sorry Dec... and wish the Owen's a great Xmas too!

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From: Sarah Owen <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, December 24, 2019 5:21:48 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: Re: MET - Board Email
Hi boss

You mean Monday 30 December?

Enjoy a wonderful Christmas. [REDACTED]

Cheers Sarah

Sent from my iPhone

On 24/12/2019, at 16:09, Will Goodwin <[REDACTED]@nzsuperfund.co.nz> wrote:

[REDACTED]

We will keep you updated over the weekend.

Kind regards

Will

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 23 December 2019 7:54 AM
To: Mika Austin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>

Subject: Re: MET - Board Email

Hi

There was an issue with EQT IC overnight so we won't be signing documents today.

We will keep you posted

Regards

Cristina

Get [Outlook for Android](#)

From: Mika Austin <[REDACTED]@nzsuperfund.co.nz>

Sent: Sunday, December 22, 2019 9:22:30 PM

To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>;

Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin

<[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>;

Sarah Owen <[REDACTED]@nzsuperfund.co.nz>

Subject: Re: MET - Board Email

Thanks Cristina, [REDACTED], et al. Catherine, would you mind cc'ing me on to the email to the Board tomorrow morning please?

Get [Outlook for Android](#)

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Sent: Sunday, December 22, 2019 8:16:43 PM

To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge

<CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>;

Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>

Subject: RE: MET - Board Email

Hi

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tomorrow morning (we have a signing at 7am) it's been a busy old weekend for Joe W and team !!

Hopefully that works for you. Catherine I can call when its ready to go.

Will please let Catherine know if you have any final changes. [REDACTED] do you mind sending

Catherine the full name details for EQT as I am about to jump on a flight (I have highlighted this in yellow)

Also there is broader team email that we also need to send - the draft is also below

Sarah, Mika (as acting CEO) this email is FYI

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Sunday, 22 December 2019 2:44 PM

To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin

<[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: RE: MET - Board Email

Hi all

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Thanks.

[REDACTED]

Email to be sent to the Board

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Saturday, 21 December 2019 9:00 AM

To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Subject: Re: MET - Board Email

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Friday, 20 December 2019, 2:05 PM

To: Catherine Etheredge

Cc: Conor Roberts; [REDACTED]; Will Goodwin

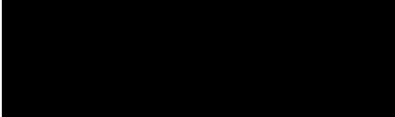
Subject: MET - Board Email

Hi Catherine – below is the suggested wording for the email to the Board. **To be sent after the NZX announcement comes out.**

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PO Box 106 607, Auckland 1143, New Zealand
Level 12, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz

<image001.jpg>



Please consider the environment before printing this e-mail.

From: [REDACTED]
To: Will Goodwin
Subject: Re: MET - Board Email
Date: Tuesday, 24 December 2019 4:19:16 pm
Attachments: image001.jpg

Good news, better than what I was expecting! I'll keep checking emails and am around if anything needs to be done. I'm assuming you let Joe/Tiffany know to stand down until the 30th?

Enjoy your Christmas and NY, see you in 2020.

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From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, December 24, 2019 4:08:58 PM
To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Brad Dunstan <BDunstan@nzsuperfund.co.nz>; Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: MET - Board Email
All,

[REDACTED]

We will keep you updated over the weekend.

Kind regards

Will

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 23 December 2019 7:54 AM
To: Mika Austin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>
Subject: Re: MET - Board Email
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We will keep you posted
Regards
Cristina
Get [Outlook for Android](#)

From: Mika Austin <[REDACTED]@nzsuperfund.co.nz>
Sent: Sunday, December 22, 2019 9:22:30 PM
To: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
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Subject: Re: MET - Board Email
Thanks Cristina, [REDACTED], et al. Catherine, would you mind cc'ing me on to the email to the Board

tomorrow morning please?

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Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>

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Sent: Sunday, 22 December 2019 2:44 PM

To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: RE: MET - Board Email

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Thanks.

[REDACTED]

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Saturday, 21 December 2019 9:00 AM

To: Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>

Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Subject: Re: MET - Board Email

[REDACTED]

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Sent: Friday, 20 December 2019, 2:05 PM

To: Catherine Etheredge

Cc: Conor Roberts; [REDACTED]; Will Goodwin

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[REDACTED]

Email: [REDACTED]@nzsuperfund.co.nz

PO Box 106 607, Auckland 1143, New Zealand
Level 12, 21 Queen Street, Auckland, New Zealand
Office: +64 9 300 6980 | Fax: +64 9 300 6981 | Web: www.nzsuperfund.co.nz



 Please consider the environment before printing this e-mail.

From: [REDACTED]
To: Cristina Billett; Catherine Etheredge; Will Goodwin
Cc: Conor Roberts; [REDACTED]; Sarah Owen; Mika Austin
Subject: Re: MET - Board Email
Date: Sunday, 22 December 2019 9:25:58 pm
Attachments: image001.jpg

Hi Cristina, were you just questioning whether EQT is an abbreviation? Not as far as I can tell from their website below....

<https://www.eqtgroup.com/>

Get Outlook for Android

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Sent: Sunday, December 22, 2019 8:16:43 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Catherine Etheredge <CEtheredge@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: Conor Roberts <CRoberts@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; Mika Austin <[REDACTED]@nzsuperfund.co.nz>
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Subject: Re: MET - Board Email

Morning

One of the points that Russell McV raised last night was that our restriction on encouraging competing bids will extend to the Board so we should add a comment on this to our Board correspondence. I've had a go at drafting that below but before Monday morning can Will/Cristina review and confirm the final wording?

[REDACTED]

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To: Catherine Etheredge

Cc: Conor Roberts; [REDACTED]; Will Goodwin

Subject: MET - Board Email

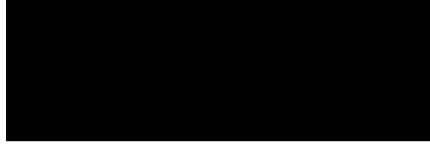
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Please consider the environment before printing this e-mail.

From: Will Goodwin
To: [REDACTED]; Cristina Billett; [REDACTED]
Subject: RE: NBR
Date: Monday, 12 October 2020 2:11:07 pm
Attachments: image004.jpg
image005.jpg
image006.png
image007.png

It does have quite a bit more detail...

The Metlifecare shareholder that lodged opposition in the High Court to the company's takeover is a small holder, but strongly believes the deal needs to be blocked.

The scheme of arrangement for the takeover of retirement village operator Metlifecare by Asia Pacific Village Group (APVG), a subsidiary of Sweden's EQT Infrastructure, has been controversial from the start.

On October 2, 90.7% of shareholders voted to approve the scheme at \$6 a share, down from \$7 in the original scheme agreement made in December.

APVG had called this off claiming a material adverse change due to Covid-19, after which Metlife's board threatened costly litigation.

However, there were 15 million shares cast against the scheme, which represented 7% of the shares on issue and 9% of those voting, worth about \$90 million to \$105m at \$6-\$7 a share.

One of these dissenters, ResIL Investments, lodged a notice of opposition to the High Court application to the scheme last Tuesday. ResIL has provided documents supporting its opposition to the High Court and the Takeovers Panel.

ResIL owns 1000 shares in Metlifecare, a small stake valued at \$5,950 at today's price. It's also a bondholder.

The company's sole director and shareholder is Craig Priscott, who also owns small Auckland investment firm Paget Capital Management.

He set ResIL up at the end of July – well after the scheme was announced – and used the company structure for the complaint for the limited liability protection it offers, in what is a litigious context.

Priscott confirmed to *NBR* that ResIL voted its 1000 shares against the scheme, and Priscott voted a further 56,080 shares (mostly held through a custodial platform, through a company he controls) against it.

"Almost all of those 56,000 shares were then sold on October 2 – the last of them after the results of the scheme meeting were notified. By then I had lost confidence in the Metlife directors."

Priscott, through ResIL, opposes the scheme on principle and on behalf of the investors who cast their votes against it. He said it's also on behalf of shareholders who may have voted against the scheme, had they been fully informed.

To inform its views, ResIL commissioned independent advice from corporate advisory firm Campbell MacPherson and took legal advice from Timothy Lindsay of Lindsay LA.

Shareholders not told full story

The heart of ResIL's objections is that information provided to shareholders did not include all necessary and material information, so shareholders couldn't make a fully informed decision; the \$6 per share is not reasonable; and Metlife bondholders are materially prejudiced by the scheme.

Material information ResIL believed was not provided to shareholders included the underpinning assumptions for CBRE's valuations, and Metlifecare's key assumptions (particularly price growth assumption) underpinning its 2021 budget.

"This FY21 budget was conceived after the first lockdown, and was out of date by the time the scheme booklet was published," ResIL argued, in a document provided to NBR.

"Without the key assumptions, shareholders could not make an informed judgement as to the reasonableness of this projection. The FY21 Budget was critical because it was used as justification for the underlying profit adopted by Calibre Partners."

ResIL also claimed there were deficiencies in Calibre Partners' independent adviser report, which depressed the valuation range in its second report.

Their original valuation range of \$5.80-\$6.90 was finalised on June 5 for the first \$7 offer, but the valuation remained the same when the second adviser report was finalised for the \$6 offer on August 26.

This was despite significant changes in Metlifecare's key value drivers, including house price increases in June and July (they were expected to decrease), interest rate decreases and the share prices of its four listed competitors increasing by 14% on average.

ResIL believed the second independent adviser's report was deficient as there were "subtle but impactful" changes in the adviser's valuation methods, it included outdated information including house price forecasts and old CBRE valuations, and there were "methodological errors" which compared "apples with oranges".

The shareholder said: "If the IA report was corrected for the out-of-date information, the changes in valuation methodology, the methodological errors, and the material information that has emerged since the IA report was finalised, then the valuation range would be materially higher than the \$6 price, meaning the \$6 price is unfair."

Hedge fund influence

Kim Ellis

2

Metlifecare chairman Kim Ellis was against the deal.

ResIL also claimed there was poor, or no, disclosure around the context in which the \$6 scheme came about, including the role hedge funds played.

"These hedge funds were so desperate to exit, that they sought to place inordinate pressure on the Metlife directors to conclude a transaction with APVG, at almost any price.

"The influence of the hedge funds in the majority directors' acceptance of the \$6 scheme was finally revealed at the scheme meeting by the directors, but by then it was too late."

Details revealed at the shareholder meeting included that APVG held discussions with large shareholder NZ Super Fund, which then put pressure on Metlife's board to support the deal.

As well, it appeared that Hong Kong hedge fund in early July tried to have Ellis removed unless the company resumed sales talks with EQT.

Bondholders disadvantaged

ResIL made a complaint as a bondholder as well as a shareholder, saying that if the scheme is implemented, bondholders would lose protections they currently enjoy.

This includes no requirement for independent directors, less disclosure as the shares would no longer be listed, and the possibility the new private equity owner might increase debt levels.

The Takeovers Panel, which received just one shareholder complaint, is due to consider whether to give the scheme a letter of no objection, which is one of the requirements before the High Court approves a scheme.

It expects to make the decision this week. ResIL has asked the Panel to refuse to provide a 'no objection' letter, based on the arguments in its opposition document.

Even if the Takeover Panel offers the court a letter of no objection, the court may still block the deal.

It will consider, among other things, whether a reasonable businessperson would enter into such a scheme, and whether it is "fair and equitable."

Before the meeting, a majority of Metlife's board – Christopher Aiken, Mark Binns, Alistair Ryan and Rod Snodgrass – recommended shareholders vote in favour of the scheme.

Director Carolyn Steele abstained from making a recommendation, given her association with the NZ Super Fund, Metlifecare's largest shareholder.

However, chairman Kim Ellis disclosed he would vote against the scheme and claimed the NZ Super Fund had tied the board's hands from negotiating a higher price.

The NZ Shareholders' Association also voiced disapproval of the scheme and said it would direct any proxies it held against it.

Metlifecare said it continues to prepare for the High Court hearing, scheduled for October 15.

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Monday, 12 October 2020 1:48 pm

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: NBR

<https://www.nbr.co.nz/story/metlifecare-shareholder-objector-small-investor-resil>



I can't access this at home, so unsure if provides any details we don't already know.



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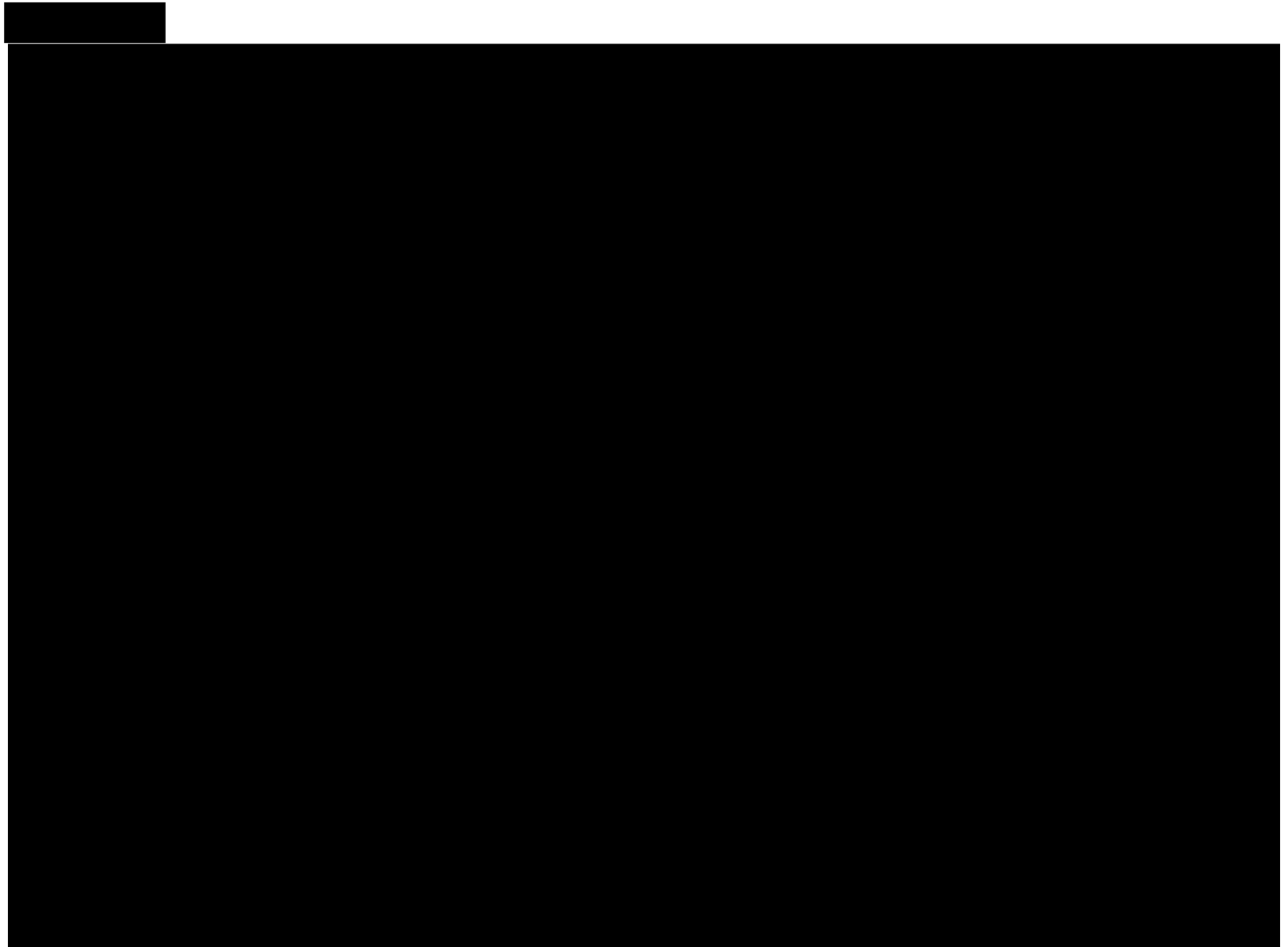
NZSuperFund_Logo_RGB



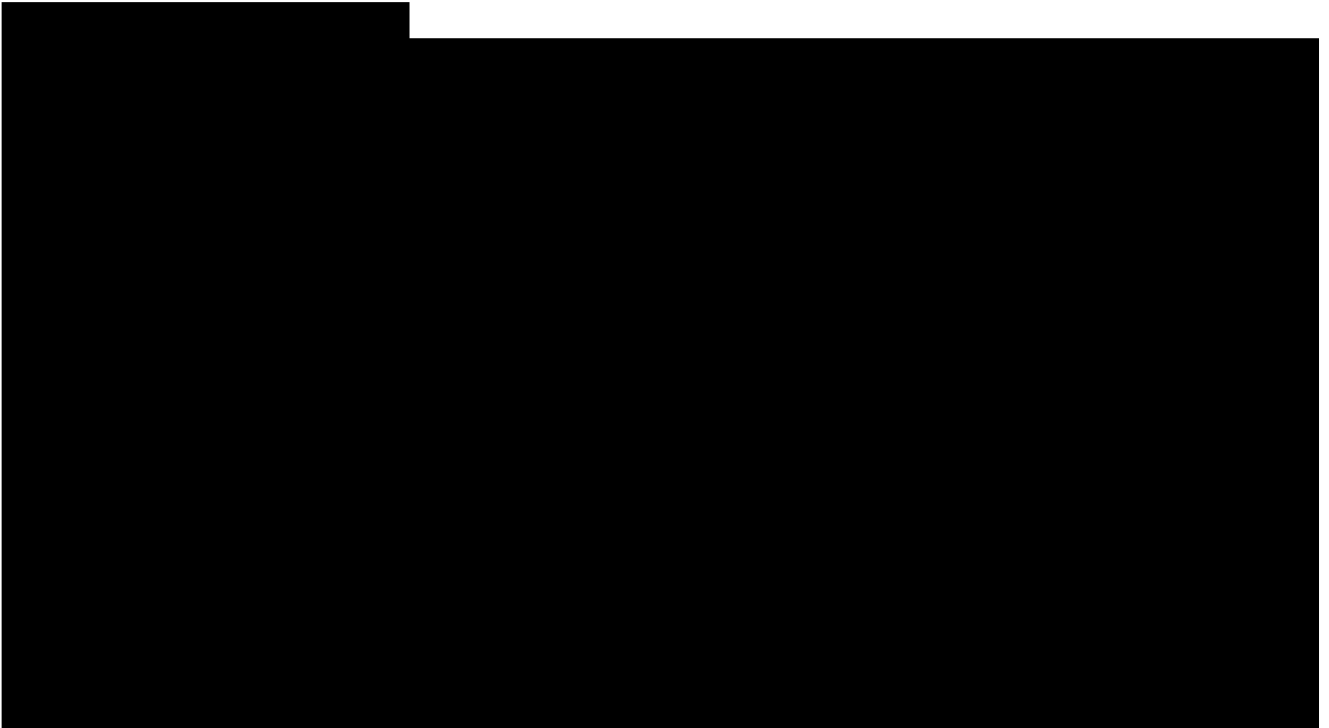
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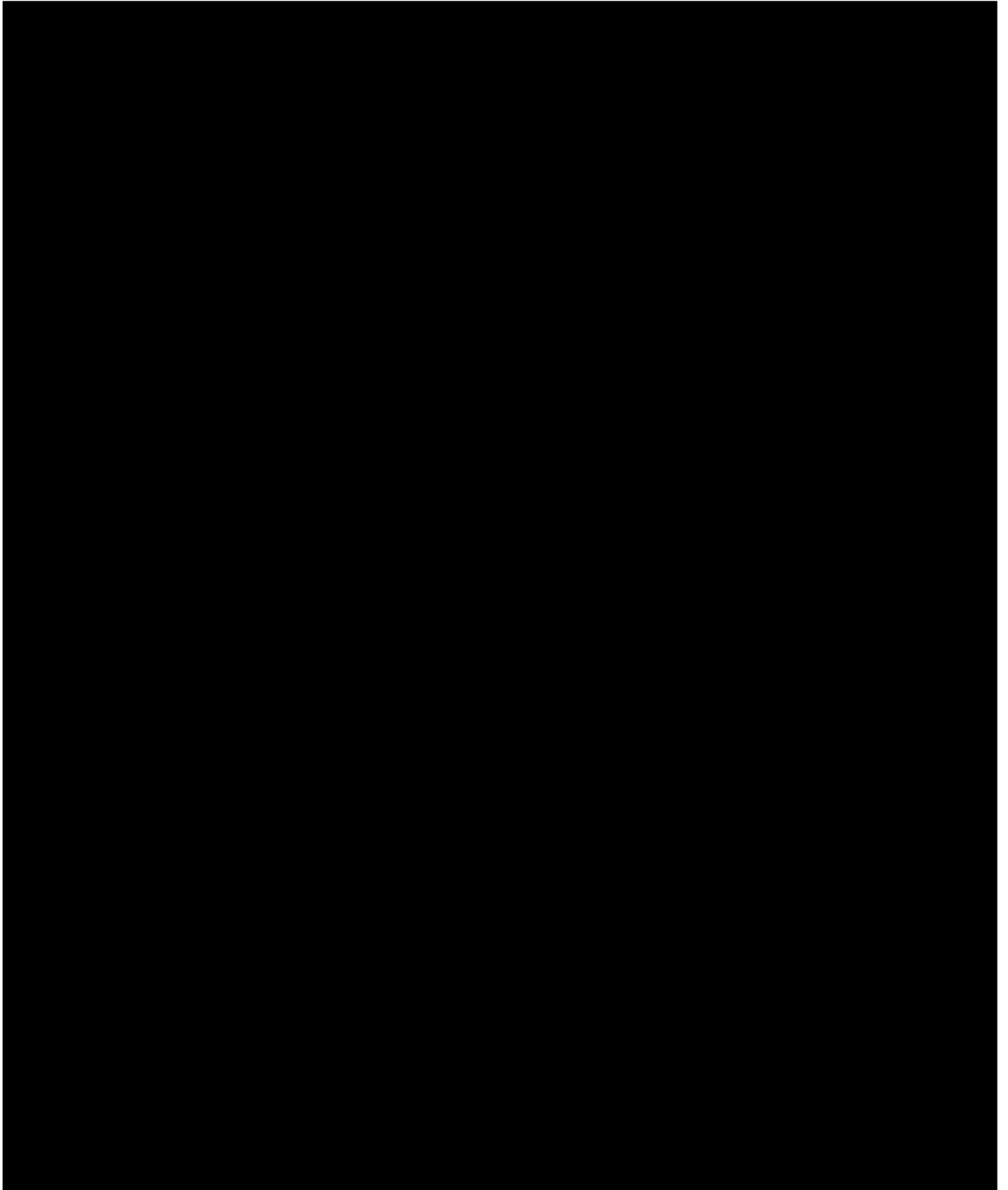
From: [Cristina Billett](#)
To: [Cristina Billett](#)
Subject: MET meeting file note 2
Date: Wednesday, 18 December 2019 5:57:59 pm



From: [Cristina Billett](#)
To: [Cristina Billett](#)
Subject: MET Meeting file note 3
Date: Wednesday, 18 December 2019 6:28:20 pm



From: [Cristina Billett](#)
To: [Cristina Billett](#)
Subject: Notes from meeting
Date: Wednesday, 18 December 2019 5:36:01 pm



From: [Cristina Billett](#)
To: [Will Goodwin](#)
Subject: Project Navy notes
Date: Wednesday, 18 December 2019 7:39:51 pm
Attachments: [Notes from meeting \(12.2 KB\).msg](#)
[MET meeting file note 2 \(6.31 KB\).msg](#)
[MET Meeting file note 3 \(9.32 KB\).msg](#)

From: [Cristina Billett](#)
To: [REDACTED]; [Will Goodwin](#); [REDACTED]
Subject: RE: EQT and NZSF Call (17 Dec)
Date: Wednesday, 18 December 2019 7:40:51 am
Attachments: [image001.jpg](#)

I can swing by your desk when I get in.

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 18 December 2019 7:30 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>;
Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: EQT and NZSF Call (17 Dec)

Hi all

Below is a summary of the call we had with EQT and their advisers last night, there's a few actions for this morning listed at the bottom. I may have missed something so feel free to add to the points.

Attendees:

NZ Super: Will G, [REDACTED]
Russel McV (acting for NZ Super): Joe W, Tiffany D
EQT: Ken W
Goldman Sachs: Justin Q
Bell Gully (acting for EQT): Anna B

Key Summary:

[REDACTED]

Discussion:

Timing & General Discussions

[REDACTED]

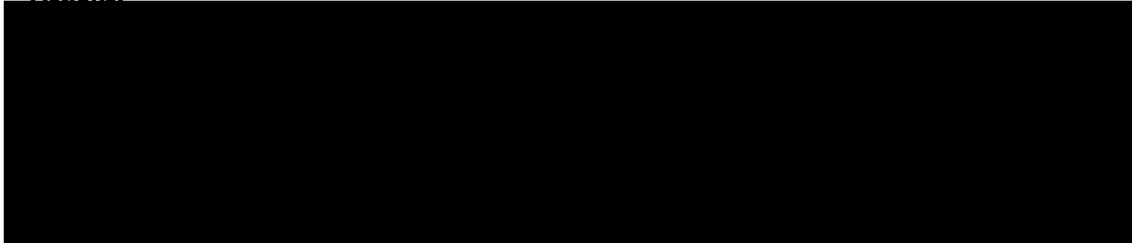
Options Going Forward

[REDACTED] ng
n
ers
t

[REDACTED]



Actions:



Thanks.



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From: Will Goodwin
To: Conor Roberts; Matt Whineray; Cristina Billett; Sarah Owen; [REDACTED]; [REDACTED]; Stephen Gilmore
Subject: RE: The Oz on Metlifecare
Date: Monday, 29 June 2020 3:01:30 pm
Attachments: image001.jpg
image002.png
image003.png

Matt – we are hoping to meet with Kim (the Chair) on Friday so should hopefully get a better view of where he sees things and the go forward... and what support we could provide

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 29 June 2020 2:56 PM
To: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: The Oz on Metlifecare

[REDACTED]

From: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, 29 June 2020 2:42 PM
To: Conor Roberts <CRoberts@nzsuperfund.co.nz>; Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: The Oz on Metlifecare

[REDACTED]

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>
Sent: Monday, 29 June 2020 2:14 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Sarah Owen <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>; Matt Whineray <[REDACTED]@nzsuperfund.co.nz>
Subject: The Oz on Metlifecare

FYI

Pressure on Metlifecare over EQT takeover deal
Bridget Carter

THE AUSTRALIAN

DATAROOM EDITOR

- 57 minutes ago June 29, 2020
- [No Comments](#)

Pressure is believed to be mounting on the board of retirement village provider Metlifecare to re-engage with its suitor EQT Infrastructure, which walked away from a \$NZ1.5bn deal to buy the company.

EQT offered \$NZ7 per share, but announced it would not move forward with the planned acquisition, claiming material adverse changes to the business linked to COVID-19.

After Metlifecare's board recommended the offer, it is now engaged in legal action to ensure that EQT follows through with its original approach.

However, on the company's register are hedge funds, which collectively own more than 25 per cent and will soon call for the resignation of the company's chairman Kim Ellis.

The shareholders apparently sent a letter to Mr Ellis expressing concerns.

He could not be reached when contacted by DataRoom.

The unease at the situation is believed to centre on claims that the board failed to engage with EQT when it came forward with a revised, lower offer, or to disclose the approach publicly.

Others say EQT put a lower approach to Metlifecare of about \$NZ6, which was rejected.

EQT was interested in engaging at a price closer to the bottom of the independent expert's valuation.

Independent expert KordaMentha has said that the company is now worth \$NZ5.80 to \$NZ6.90 per share – slightly below the original \$NZ7 bid price.

A shareholder vote is to be held next Friday to determine whether litigation should be taken to ensure that EQT completes the deal at the price agreed last year.

Metlifecare, one of New Zealand's largest retirement village providers, is listed in Australia as well as across the Tasman.

There were claims the coronavirus pandemic would impact its value by more than \$100,000 and its net profit by at least 10 per cent.

The company has construction-related debt worth about \$NZ300m but plenty of headroom. It has about \$NZ4m of cash on its balance sheet.

It currently has a market value of \$NZ1.37bn.

Other shareholders include The New Zealand Superannuation Fund, which also holds about 20 per cent of the stock.

Working for Metlifecare is Jarden, while Goldman Sachs is representing EQT Infrastructure's interests.

A Metlifecare spokesperson said that the company does not comment on speculation but is aware of its disclosure obligations.

Conor Roberts

DDI: +64 9 366 4924
Mobile: +64 21 124 6004
Email: croberts@nzsuperfund.co.nz

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From: [Will Goodwin](#)
To: [REDACTED]
Cc: [Cristina Billett](#)
Subject: RE: MET
Date: Tuesday, 9 June 2020 4:48:45 pm
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)

Thanks [REDACTED] – agree [REDACTED]

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, 9 June 2020 4:08 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: MET

[REDACTED]

Cristina – we've scheduled another call with EQT for 4:30pm tomorrow

[REDACTED]

some time and want an update.



Give me a call if you have

[REDACTED]

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Page redacted

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Sent: Wednesday, 3 June 2020 9:55 AM

To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: RE: MET

Thanks [REDACTED] – locked in a call at 4:45

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Sent: Wednesday, 3 June 2020 9:09 AM

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: MET

Will,



[REDACTED] Am just checking a few things on the numbers this morning, but if you wanted to try plan a time with Stephen I can make any time after 12 work.

[REDACTED]

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From: [Will Goodwin](#)
To: [Cristina Billett](#)
Subject: RE: MET (legally privileged and confidential)
Date: Wednesday, 3 June 2020 5:19:16 pm
Attachments: [image001.jpg](#)

Cool – speaking to him again later tonight so will let you know where we land

From: Cristina Billett <[REDACTED]@nzsuperfund.co.nz>

Sent: Wednesday, 3 June 2020 4:45 PM

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Subject: MET (legally privileged and confidential)

Hi

Sorry we cut our call short before. I had my monthly catch up with Stephen earlier and the topic of MET happened to come up [REDACTED]

[REDACTED]

[REDACTED] Anyway he may ask you about what your thoughts are on some of that stuff.

Cristina Billett

[REDACTED]

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From: [Will Goodwin](#)
To: [REDACTED]
Subject: Re: NZSF Media Coverage Archive
Date: Tuesday, 14 July 2020 10:07:09 am
Attachments: [image001.jpg](#)

Thanks!

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Tuesday, July 14, 2020 10:05:26 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Subject: RE: NZSF Media Coverage Archive

JENNY RUTH: Super Fund sells NZ Inc down the river with Metlifecare sale

https://media.businessdesk.co.nz/file/c_fill,w_554/metlifecare_dev-c.jpg



It doesn't take too much thought to conclude the New Zealand Superannuation Fund has sold NZ Inc down the river when it comes to the Metlifecare takeover.

With the Super Fund having agreed to sell to Sweden's EQT at \$6 per share, down from its pre-covid offer of \$7, and with four of Metlifecare's six directors backing the new bid, the offer via a scheme of arrangement is probably a fait accompli.

The Super Fund owns 19.8 percent of Metlifecare, effectively giving it the ability to block a takeover bid it didn't like, but making it the kingmaker of EQT's bid.

It has already declared its hand, promising to vote for the scheme.

One would expect the "hot" money from offshore institutions that had been chasing the earlier offer are likely to back EQT's new offer because they will be keen to cut their losses.

Based on this year's substantial shareholder notices, and assuming some offshore holders never owned as much as 5 percent, that could account for more than 40 percent of Metlifecare shares.

Certainly, Hong Kong-based Maso Capital Partners, which owns 5.4 percent, made no secret of its attempts to bully Metlifecare's directors back to the negotiating table with EQT.

Given that schemes of arrangement require at least 50 percent of shareholders to vote and 75 percent of those voting to vote in favour for the takeover to succeed, and that large numbers of shareholders, particularly retail shareholders, don't bother to vote, that appears to be more than enough to sew the deal up.

Chair Kim Ellis's position is positively mystifying: he looked to have hogtied the board when he told the NZ Herald last Monday that the value of the company's assets had fallen by at least 15 percent because of the covid-19 crisis, so the new nearly 15 percent lower offer was "probably not miles off the button."

But when it came to a vote, Metlifecare said Ellis didn't believe the price EQT is offering represented fair value and that its offer should be at

least \$6.35 per share, the mid-point of KordaMentha's valuation.

Ellis's view of the state of the housing market is more extreme than other commentators.

For example, Westpac is forecasting a 7 percent fall in house prices this year while ANZ foresees a 12 percent drop, Standard & Poor's is expecting a 10 percent decline while QV foresees a drop between 5 percent and 10 percent.

UBS analyst Jeremy Kincaid expects only a short-lived fall in house prices of about 7.5 percent in the next year, but forecasts 7.5 percent growth will follow in 2022 and 2023.

Factors limiting the immediate decline include that the Real Estate Institute is reporting the available housing units for sale are below 21,000 compared to between 50,000 and 60,000 heading into the global financial crisis – house prices declined about 10 percent through the GFC and quickly recovered.

Another factor limiting any decline in prices is the fact that, with interest rates so low, it's cheaper to buy than to rent about a third of Auckland properties and most houses in the rest of the country, Kincaid said in a note published last week.

Retirement village units aren't just any old homes, Kincaid notes. Many residents buy into a village because they need to and the experience of the GFC proved retirement village units are less affected by such downturns than the housing market in general.

But even if Ellis is right and house prices will fall 15 percent this year, history shows house prices have never taken long to recover from downturns.

The new offer compares with Metlifecare's net assets per share of \$7 at Dec. 31 and a company-commissioned updated valuation by independent adviser KordaMentha dated June 5, which means it took the coronavirus crisis into account, which valued the shares at between \$5.80 and \$6.90.

The Super Fund is always telling us that one of its advantages is its

ability to take a long-term view on its investments.

“As a long-term sovereign wealth fund we have the ability to look-through periods of market uncertainty. The important thing is that we retain confidence in our investment settings and don’t get spooked,” chief executive Matt Whineray said as recently as March.

He was commenting on the coronavirus crisis-induced volatility in global markets.

That puts a big question mark over why the Super Fund is happy to sell its Metlifecare stake at such a discounted price.

It's clear some of the other local shareholders are unhappy with the new price.

ANZ Investment Management is in the happy position of having sold most of its stake in January – 11.8 percent in the last annual report – at prices not far shy of \$7. But it still owns between 2 and 3 percent.

"It's disappointing it didn't go above the middle of the range. We think it's a good business with long-term growth potential," said ANZ's head of Australasian property securities, Craig Tyson.

"\$6.35 was the middle of the range – I would've thought that was the starting point. Why else do you get an independent adviser's report?" Tyson said.

Matt Goodson, joint managing director at Salt Funds Management, which owns about 1 percent of Metlifecare, isn't happy either.

"From our perspective, \$6 isn't enough. If the bid fails, I've got no doubt the share price will go down for a while, but you have to take a long-term view of these things," Goodson said.

"For the buyer at this price, it's a heads-we-win, tails-you-lose scenario. Why you would want to sell at this level is unclear - \$7 better reflects the balance of risks, even though it wasn't utterly compelling."

Goodson said the main issue with Metlifecare compared with other operators in the retirement village sector is that Metlifecare hasn't been

able to deliver adequate development returns.

"The main issue with Metlifecare is something that's fixable," he said.

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Sent: Tuesday, 14 July 2020 10:03 AM

To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: Fwd: NZSF Media Coverage Archive

Hey [REDACTED] - can I plse get a copy of the article.

Thanks

Will

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From: NZ Super Fund in the News <noreply@supercharged.nzsuperfund.co.nz>

Sent: Tuesday, July 14, 2020 10:00:52 AM

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Subject: NZSF Media Coverage Archive

[NZ Super Fund in the News](#)

NZSF Media Coverage Archive - Daily Summary

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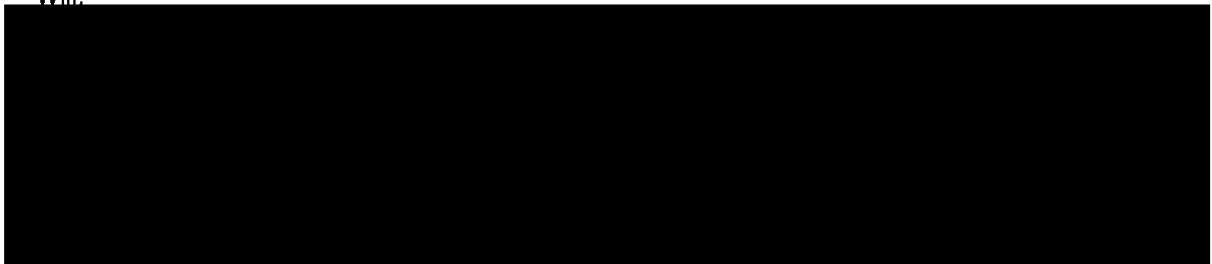
Title	Modified	Modified by	
<u>JENNY RUTH: Super Fund sells NZ Inc...</u>	14/07/2020 9:47 a.m.	[REDACTED] [REDACTED]	New!
Title	JENNY RUTH: Super Fund sells NZ Inc down the river with Metlifecare sale		
Date	14/07/2020		
Media Outlet	Business Desk		
Topic	JENNY RUTH: Super Fund sells NZ Inc down the river with Metlifecare sale		
Link	Online link		
Published Date	2020 07		
Byline	Jenny Ruth		

From: [Will Goodwin](#)
To: [REDACTED]
Subject: RE: MET
Date: Wednesday, 27 May 2020 10:57:27 am
Attachments: [image001.png](#)
[image002.jpg](#)
[image003.png](#)
[image004.png](#)

Thanks [REDACTED]

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Wednesday, 27 May 2020 10:41 AM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Subject: MET



Will,



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From: Will Goodwin
To: Stephen Gilmore
Subject: Fwd: Metlifecare
Date: Monday, 25 May 2020 1:16:30 pm
Attachments: Image004.png
Image005.jpg
Image006.png
Image007.png

Hi Stephen - will try you later today to quickly discuss.

Cheers

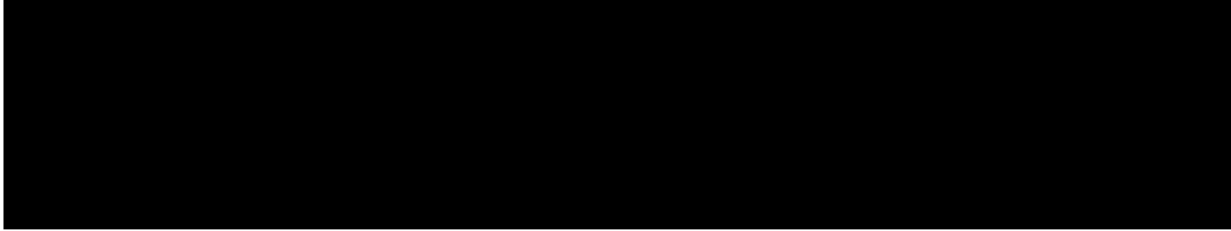
Will

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From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Monday, May 25, 2020 1:10:29 PM
To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: Metlifecare

Will,

See below the updated analysis around the position in MET following this morning's discussion. In summary:



?

[REDACTED]

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From: Will Goodwin
To: Mark Fennell; [REDACTED]
Cc: [REDACTED]; Cristina Billett; Investment Committee
Subject: Re: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)
Date: Friday, 10 July 2020 1:17:28 pm
Attachments: image001.jpg
image002.png
image003.png

I endorse as well.

Thanks

Will

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From: Mark Fennell <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, July 10, 2020 12:45:04 PM
To: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>; Investment Committee <Investment@nzsuperfund.co.nz>
Subject: RE: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)
Thanks [REDACTED], I am happy to endorse NZSF to entering into the Voting Deed today to vote in favour of the revised proposal.
Cheers

From: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>
Sent: Friday, 10 July 2020 12:37 PM
To: Investment Committee <Investment@nzsuperfund.co.nz>
Cc: [REDACTED] <[REDACTED]@nzsuperfund.co.nz>; Cristina Billett <[REDACTED]@nzsuperfund.co.nz>
Subject: [URGENT] Project Navy - FOR DECISION (PLEASE RESPOND BY 3PM TODAY)
Importance: High

Dear IC,

As has been noted in the media recently, EQT has provided a revised proposal to Metlifecare to acquire the Company. NZSF had provided broad support for the revised proposal being taken to shareholders – both Stephen and Matt have been involved throughout this process.

The key changes in the new proposal are:

- A reduction in the offer price from \$7.00 to **\$6.00 per share**
- That Metlifecare agrees to **drop the litigation** against EQT
- **No Material Adverse Change** provision is included in the Scheme Implementation Agreement
- Requirement to have a **majority of Directors** (vs. unanimous) in support of the proposal

Potential Outcomes:

- If the vote goes through, we receive \$6.00 cash and are exited from our investment
- If the vote does not go through, we retain our 19.9% stake in Metlifecare, with litigation having been ceased the Company will then be free to operate unencumbered



We are seeking the IC's endorsement for NZSF to enter into the Voting Deed today to vote in favour of the revised proposal.

Regards,



[Redacted]

[Redacted]

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From: [Will Goodwin](#)
To: [Conor Roberts](#)
Subject: RE: Met
Date: Monday, 6 July 2020 2:52:42 pm
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)

How about:

Head of Direct Investments Will Goodwin says: “the Super Fund appreciates the positive engagement shown by EQT to table a revised offer and we look forward to supporting EQT and Metlifecare’s board through to completing the deal.”

From: Conor Roberts <CRoberts@nzsuperfund.co.nz>

Sent: Monday, 6 July 2020 2:41 PM

To: Will Goodwin <██████████@nzsuperfund.co.nz>

Subject: Met

How’s this:

Head of Direct Investments Will Goodwin says the Super Fund appreciates the positive engagement shown by EQT to resolve the matter.

“We look forward to working with EQT and Metlifecare’s board to find an outcome that works for all parties. It’s in everyone’s interest to deescalate conflict between the parties so the business can focus on long term growth and supporting its residents.”

Conor Roberts

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From: [Will Goodwin](#)
To: [Matt Whineray](#)
Subject: RE: Metlifecare News
Date: Monday, 6 July 2020 9:00:01 am

Thanks Matt – rounded out with [REDACTED]

From: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>

Sent: Monday, 6 July 2020 8:57 AM

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Subject: RE: Metlifecare News

Nice work

From: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Sent: Monday, 6 July 2020 8:51 AM

To: Conor Roberts <CRoberts@nzsuperfund.co.nz>

Cc: Matt Whineray <[REDACTED]@nzsuperfund.co.nz>; Stephen Gilmore <[REDACTED]@nzsuperfund.co.nz>; [REDACTED] <[REDACTED]@nzsuperfund.co.nz>

Subject: FW: Metlifecare News

Conor – can I please ask you to forward the below announcement to our Directors for FYI.

Cheers

Will

From: Metlifecare Limited <news@metlifecare.co.nz>

Sent: Monday, 6 July 2020 8:45 AM

To: Will Goodwin <[REDACTED]@nzsuperfund.co.nz>

Subject: Metlifecare News

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MEDIA RELEASE

6 July 2020

NEW NON-BINDING INDICATIVE OFFER RECEIVED FROM APVG, SHAREHOLDER MEETING DEFERRED

Metlifecare Limited (NZX: MET, ASX: MEQ) advises that during the afternoon of Sunday 5 July 2020 it received on a without prejudice basis a non-binding indicative offer from Asia Pacific Village Group Limited (**APVG**) to acquire all Metlifecare shares for NZ\$6.00 per share under a Scheme of Arrangement (**NBIO**). APVG is an entity owned by EQT Infrastructure IV fund and managed by EQT Fund Management S.à.r.l.

The Board of Metlifecare has committed to engaging with APVG in good faith to see if the NBIO can be converted into a binding Scheme Implementation Agreement (**SIA**).

APVG would require Metlifecare to fully settle the litigation in respect of the SIA dated 29 December 2019, upon entry into a new SIA.

Among the revised terms of the proposed new SIA are:

- scheme consideration of NZ\$6.00 per share in cash compared to the original scheme consideration of NZ\$7.00 per share in cash;
- no Material Adverse Change condition;

- no requirement that the scheme consideration be within or above the Independent Adviser's valuation range; and
- a requirement that a majority of Metlifecare directors – not all – recommend that shareholders vote in favour of the scheme of arrangement on announcement of the new SIA.

In these circumstances, Metlifecare has decided to defer the special meeting of shareholders scheduled for this Friday, 10 July 2020. This meeting is currently scheduled to seek shareholder support to continue litigation against AVPG and EQT over their decision to terminate the original SIA, which Metlifecare alleges is invalid.

Metlifecare has been advised that the Guardians of the New Zealand Superannuation Fund (**NZ Super**) is broadly supportive of Metlifecare urgently progressing APVG's NBIO and deferring the special meeting of shareholders in order to do so.

Metlifecare Chair Kim Ellis said: "We have always indicated that the Board of Metlifecare is open to engaging on any reasonable alternative proposal. We welcome receipt of APVG's NBIO and intend to canvass shareholders on whether they prefer this alternative. While there remain a number of issues to resolve and there is no guarantee we will be able to reach agreement, we look forward to productive discussions with APVG."

Shareholders do not need to take any action at this time. A further update will be provided when the Metlifecare Board has further assessed the NBIO and canvassed the views of shareholders.

Metlifecare emphasises the NBIO is non-binding and there can be no assurance that a binding new SIA will be agreed.

Metlifecare is being advised by Jarden Partners Limited, Simmons Corporate Finance Limited and Chapman Tripp.

This announcement is authorised for release to the market by the Board of Metlifecare Limited.

To view the full announcement please click [here](#)

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