

26 May 2020

Dear Shareholder

Please find **enclosed** notice of Promisia Integrative Limited's (**PIL**) special meeting of shareholders which will be held on 11 June 2020 by virtual means, starting at 2 pm. Details for logging into the meeting are set out in the accompanying proxy form.

Background

Shareholders will be well aware of the regulatory difficulties that have placed the future of PIL at risk. In particular, the regulatory actions taken by Medsafe in relation to Arthrem have severely impacted sales and jeopardised the ability for the business to operate.

PIL is waiting for a hearing date in the District Court trial where it will contest charges from the Ministry of Health that it breached the Medicines Act. The maximum fine for these offences is \$100,000 per offence but recent fines have been in the order of \$1,000 per offence. The Ministry of Health prosecution is limited to the Arthrem supplement and is not expected to have any material impact on any of PIL's future transactions and we believe any brand damage has already been incurred.

It is the view of the PIL directors that there is little, if any, viable future in continuing with the current business activities. The Board has been exploring new opportunities to leverage the listing of PIL and introduce a profitable business that is resilient and scalable. This has led to PIL entering a conditional agreement to acquire three aged care facilities in the North Island and a long term lease for a property in the South Island that is intended to operate as an aged care facility. The intention is to complete this transaction and cease operating in the natural remedy business. Following completion the Board will consider a possible re-branding of PIL to reflect its change in direction.

As advised to the market on 14 February 2020, most Arthrem stock was subject to an impairment provision as at 30 June 2019 and the unimpaired stock has been sold. Sales of Arthrem in Australia have ceased.

The Aged Care Sector

The aged care sector is well represented on the NZX market and understood by financial markets. With an aging population and continued capacity constraints on the New Zealand public health system, demand can only be expected to grow. With that growing demand, the Board believes that a move into this sector could provide PIL with stable cash flows, sustainable profits, and growth through new developments at the acquired facilities. There is also the opportunity to grow through the acquisition of other profitable and high quality privately owned facilities and to undertake greenfield developments.

The Facilities

PIL's director and largest shareholder, Mr. Thomas Brankin, has (through the Brankin Family Trust) entered into a conditional agreement with PIL (**Purchase Agreement**) to sell 100% of the shares on issue of six companies to PIL (the **Brankin Acquisitions**). Five of these companies own the business and assets of the following three profitable aged care facilities:

- Ranfurly Residential Care Centre, located in Feilding;
- Nelson Residential Care Centre, located in Feilding; and
- Eileen Mary Residential Care Centre, located in Dannevirke,

As part of the Purchase Agreement, the Brankin Family Trust has agreed to fund and develop a further 32 new external units and 10 internal units as an expansion of the Ranfurly Residential Care Centre (the **Ranfurly Development**). A separate purchase price has been attributed to this development, being \$14,180,000 (**Ranfurly Purchase Price**). This amount will be treated as an interest free loan repayable to the Brankin Family Trust following Completion. The sole recourse for repayment of the loan is from the proceeds of selling occupational rights agreements to those new units, once developed.

In addition, the sixth company being acquired from the Brankin Family Trust has a long term lease of a property at 62 Aldwins Road, Christchurch (**Aldwins Facility**). PIL will also obtain the benefit of an option to purchase the land and buildings at the Aldwins Facility for a fixed purchase price of \$10,000,000, plus certain improvements costs and GST (if any) (**Aldwins Option**). The Aldwins Option can be exercised at any time before 31 May 2021 at PIL's discretion.

The Brankin Acquisitions, the Ranfurly Development, together with their associated debt and equity financing, are referred to in this Notice of Meeting as the **Transactions**.

PIL proposes to acquire these three aged care facilities and the lease of the Aldwins Facility (**Facilities**) for an aggregate purchase price of \$31,385,000 on a debt free basis (**Purchase Price**). The expected completion date under the Purchase Agreement is five days following this shareholder meeting (**Completion**). For further discussion of PIL's corporate structure following Completion of the Transaction, please see page 19 of the Profile described below.

Profile and Independent Report

Accompanying this Notice of Meeting is a listing profile (**Profile**) which describes the assets and the intended business of PIL if shareholders approve the Transactions. The Profile also provides financial information and risk factors that shareholders should consider as part of their voting decision.

Also accompanying this Notice of Meeting is an independent report by Simmons Corporate Finance Limited (**Independent Report**). This report assesses the merits of the Transactions for shareholders.

Acquisition Financing

PIL proposes to finance the acquisition of the Facilities through a mixture of debt and equity as follows:

- New debt finance of approximately \$17,780,000. PIL is currently working through satisfying conditions for securing this debt finance with a New Zealand registered bank and the Transactions remain conditional on this debt finance being secured.
- An issue of \$8,000,000 of ordinary shares to the Brankin Family Trust as part consideration for the Transaction at an issue price of \$0.001 per share.
- An issue of up to \$8,000,000 of ordinary shares to wholesale investors at an issue price of \$0.001 per share (**Placements**). The Transactions are conditional on PIL securing a minimum of \$6 million of Placements. PIL has indicative commitments of over \$5 million and, following the issue of the Profile will look to secure legally binding commitments and reach the \$6 million required level.

Any additional subscriptions received from wholesale investors will be used for debt reduction, working capital or expansion/development opportunities. PIL will keep the market informed on progress against these conditions in accordance with its continuous disclosure obligations.

Share Purchase Plan

As is set out in the resolutions, PIL also intends to offer all shareholders a share purchase plan later this year where shareholders can, subject to scaling, acquire up to \$15,000 of shares in PIL at \$0.001 per share. The maximum number of shares available under the share purchase plan will be 5 billion shares having an aggregate value of \$5,000,000. That offer is intended to be made in September 2020 after Completion has occurred and after audited accounts for the six months to 30 June 2020 for PIL have been released to market.

It is likely that at this time PIL will also undertake a share consolidation and issue a notice requiring shareholders holding Shares below a minimum holding level (\$1,000 in aggregate) to increase their holding to the minimum holding level or PIL will acquire their shares. PIL expects to complete the consolidation and the minimum holdings buyback immediately after allotment of the share purchase plan.

PIL will advise the use of the funds raised under the share purchase plan at the time of the offer. One potential use of the funds is to fund in part the purchase price of the Aldwins Option.

Benefits of the Transactions

The Board considers the Transactions to be of significant benefit for PIL as they will:

- Introduce substantial and profitable business operations into PIL in the aged care sector;
- Provide growth opportunities through building on surplus land at the Facilities. Resource and building consents are already in place for a \$14 million extension of Ranfurly Residential Care Centre, and an arrangement for Mr. Brankin's interests to fund this development has been agreed and is detailed in the Profile;
- Allow PIL to establish a new residential care facility with minimal capital expenditure in central Christchurch, where PIL believes there is built up demand for new aged care facilities; and
- Provide a platform for the acquisition of other independent aged care facilities operating throughout New Zealand, particularly in provincial areas and lower property cost centres.

There will be a significant dilutionary effect on shareholders from the Transactions as is detailed in this Notice of Meeting. However, Shareholders will be able to offset the dilution of their interests by subscribing for shares under the Share Purchase Plan at the same issue price offered under the Transactions.

If the Transactions do not proceed, PIL will continue to have no operating business or sources of income and will likely face insolvency causing shareholders to receive a total loss on their investment.

The Board considers that the Transactions provide a very worthwhile set of opportunities for shareholders and believes the Transactions are in their best interests. The Board is confident that, with Mr Brankin's expertise and experience in the aged care sector, PIL will transition successfully and thrive in this sector.

Approvals Sought

Due to the nature of the Transactions, PIL shareholder approval is necessary in order to proceed. A description of the Transactions and the requirement for the resolutions to be considered at the meeting are set out in the Notice of Meeting.

The resolutions being put forward at the meeting will, if passed, authorise the Board to:

- Proceed under the NZX Listing Rules, Takeovers Code and the Companies Act 1993 with acquiring the six companies that own and/or operate the Facilities.

- Perform the financing arrangements required to proceed with the Transactions, as summarised above and detailed further in the Notice of Meeting.
- Exercise the Aldwins Option and acquire the land and building of the Aldwins Facility before 31 May 2021.
- Undertake a future share purchase plan offer to all shareholders at the same price per share that Placement investors and the Brankin Family Trust will receive under the Transactions.
- Enter new remuneration and incentive arrangements for directors and employees where:
 - Director remuneration reflects the new scale of PIL's business and is at a level sufficient to attract new directors with relevant expertise to further strengthen governance.
 - Incentivise key employees to help retain them for the long term and to align their interests with shareholders.
 - Recognise the considerable additional workload of some existing directors and management in guiding PIL through its recent difficulties and in facilitating the Transactions for shareholders.
- Adopt a new constitution that complies with the new NZX Listing Rules.

If approved, the Transactions will result in the essential nature of PIL's business changing to focus on the operation and development of business interests in the aged care sector.

A timetable for the Proposed Transaction is set out in the Explanatory Notes at page **Error! Bookmark not defined.**

Board Recommendation

The Board considers that the transactions are in the best interests of PIL and its shareholders and recommends that shareholders vote in favour of the resolutions outlined in this Notice of Meeting. The Board encourages you to read this Notice of Meeting, together with the Profile and Independent Report, and to exercise your right to vote.

The **enclosed** proxy form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend the meeting online. Shareholders may submit specific questions to the Board at any time in advance of the meeting by emailing me at stephen@renouf.co.nz.

I look forward to seeing you at the meeting.



Stephen Underwood
Chairman

NOTICE OF SPECIAL MEETING

If you have sold or otherwise transferred all of your shares in PIL, please pass this Notice of Meeting, together with all accompanying documents, as soon as possible to the purchaser or transferee or to the broker or other person who arranged the sale or transfer of your shares.

Notice is hereby given that a virtual special meeting (**Meeting**) of shareholders of Promisia Integrative Limited (**PIL**) will be held on 11 June 2020 through the virtual meeting platform available at <http://www.virtualmeeting.co.nz/pil20sm> starting at 2 pm.

Capitalised terms used in this Notice of Meeting have the meaning given to them in the Glossary commencing on page 34 of this Notice of Meeting.

AGENDA

- A. Chairman's introduction.
- B. Presentation to shareholders.
- C. Shareholder discussion.
- D. Resolutions.

RESOLUTIONS

To consider and, if thought fit, to pass the following Special Resolution:

1. **Approval of Transactions:** That under Listing Rules 4.2.1(a) (*issue of equity securities*), 5.1.1(a) (*change in nature of business*), 5.1.1(b) (*acquisition of material assets*) and 5.2.1 (*related party transaction*) and Rule 7(d) (*allotment of voting securities*) of the Takeovers Code and section 129 of the Companies Act 1993, the performance of the Transactions on the basis described in this Notice of Meeting is approved.

To consider and, if thought fit, to pass the following Ordinary Resolutions:

2. **Approval of Placements:** That under Listing Rule 4.2.1(a) (*issue of equity securities*) the Board is authorised to issue up to 8 billion Shares at an issue price of \$0.001 per Share to wholesale investors that have apply for and are allotted such Shares within 12 months of the date of the Meeting (and are not PIL directors or associated persons of such directors) and otherwise on the basis described in this Notice of Meeting.
3. **Approval to issue equity securities under Aldwins Option:** That under Listing Rule 4.2.1(a) (*issue of equity securities*), if the Board determines to exercise the Aldwins Option then it is authorised to partially satisfy the Aldwins Purchase Price by issuing to Teltower Limited up to 4 billion Shares at an issue price of \$0.001 per Share on the terms described in this Notice of Meeting.
4. **Approval of Share Purchase Plan:** That under Listing Rule 4.2.1(a) (*issue of equity securities*) the Board is authorised issue up to 5 billion Shares pursuant to a Share Purchase Plan that will offer each of its shareholders (other than Mr Thomas Brankin and his associated persons) an opportunity to subscribe for up to \$15,000 of Shares (subject to scaling) at an issue price of \$0.001, to be conducted within 12 months of the date of this Meeting and on the basis described in this Notice of Meeting.
5. **Approval of share issue under Employee Share Scheme:** That under Listing Rule 4.2.1(a) (*issue of equity securities*) the Board is authorised to offer to its Employees up to 1 billion unpaid Shares at an issue price of \$0.001 per Share on the terms of an Employee Share Scheme described in this Notice of Meeting.

6. **Approval of share issue under Director Share Scheme:** That under Listing Rule 4.2.1(a) (*issue of equity securities*), the Board is authorised to issue and offer the current director Mr. Stephen Underwood up to 150,000,000 unpaid Shares at an issue price of \$0.001 per Share on the terms of the Director Share Scheme described in this Notice of Meeting.
7. **Approval of Director Fees:** That under Listing Rules 2.11.1 (*directors' remuneration*), 2.11.2(b) (*directors' remuneration through an issue of equity securities*) the Board is authorised to increase the aggregate maximum amount of fees that can be paid to Directors from \$100,000 to \$200,000 in each financial year, with effect from Completion and with such remuneration permitted to be paid, in whole or in part, in cash or by way of an issue of equity securities in accordance with Listing Rule 4.7.

To consider, and if thought fit, to pass the following Special Resolutions:

8. **Revocation and Adoption of New Constitution:** That under section 32 of the Companies Act, the existing constitution of PIL be revoked and that PIL adopt the new constitution described in this Notice of Meeting with effect from the date of this special resolution being passed.

PROCEDURAL NOTES

Interdependence of Resolutions

Resolutions 3 to 7 (both inclusive) in this Notice of Meeting are dependent on Resolutions 1 and 2 being passed by shareholders. If those two Resolutions are not passed then those other Resolutions put to the Meeting will not be treated as having been passed.

Resolution 8 is not dependent on any other Resolutions being passed.

Relationship to Market Price

As at 19 December 2019 (being the date shareholders were notified publicly of the Transactions through the NZX market) the price of a Share on the NZX was \$0.002.

The proposed share issues under Resolutions 1 to 6 will be undertaken at a price per share of \$0.001. This represents a discount of 50% from the market price of a share at the time the Transactions were announced. The issue price has been set at a level agreed by negotiation with the Brankin Family Trust and in the Board's view, fairly reflects the value of PIL as an NZX listed shelf company.

Proxies

Any shareholder of PIL who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on their behalf. A corporation which is a shareholder may appoint a representative to attend the Meeting on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a shareholder of PIL. A Proxy Form can be returned by delivery, mail, email, fax, or online (as set out below).

The Chairman of the Meeting (Mr. Stephen Underwood) and any of the Directors are prepared to act as proxy. Where any Director is appointed as a discretionary proxy and is not prohibited from voting, each of the Directors intends to vote in favour of all of the Resolutions.

Voting restrictions apply to each of the Directors (and persons associated with them) as detailed below and shareholders are encouraged to give express voting directions to any Director that they appoint as their proxy. Please note that the Chairman (Mr. Stephen Underwood) is prohibited from voting on resolutions 4, 6 and 7 and where he is appointed proxy, voting directions should be given to him in respect of these resolutions.

To appoint a proxy you should complete and sign the enclosed Proxy Form and either return it by delivery, mail, email or fax to the share registrar of PIL:

By delivery:

Promisia Integrative Limited
C/- Link Market Services Limited
Level 11, Deloitte Centre
80 Queen Street
Auckland

By mail:

Promisia Integrative Limited
C/- Link Market Services Limited
PO Box 91976
Auckland 1142

By email: meetings@linkmarketservices.co.nz (please put the words "*Promisia Integrative Limited Proxy Form*" in the subject line for easy identification)

By fax: +64 9 375 5990

You may also lodge your proxy online at <https://investorcentre.linkmarketservices.co.nz/voting/PIL>. You will require your CSN/Holder Number and FIN to complete your proxy appointment. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by Link Market Services no later than 48 hours before the Meeting, being 2 pm on 9 June 2020. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those shareholders' names at that time may be voted at the Meeting.

Ordinary Resolutions

Resolutions 2 to 7 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting on the resolutions in person or by proxy.

Special Resolutions

Resolutions 1 and 8 are special resolutions. A special resolution is a resolution passed by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

Resolution 1 involves approval for a major transaction under the Companies Act and, if it is passed, then any shareholder that has cast all the votes attached to the Shares registered in that shareholder's name and having the same beneficial owner against Resolution 1 is entitled to require PIL to purchase those Shares in accordance with section 110 of the Companies Act (*Minority Buy-out Rights*). Appendix One to this Notice of Meeting sets out the procedure for Minority Buy-out Rights.

If this right is exercised validly by any shareholders, the Companies Act provides for PIL to acquire (or procure the acquisition of) the relevant Shares at a fair and reasonable price as at the close of business on 10 June 2020 (being the day before the date of the Meeting), disregarding any value attributable to the Shares as a result of the Transactions. Shareholders who become entitled to exercise this right are strongly encouraged to first seek independent professional advice from a financial adviser. In particular, if they do desire to exit their shareholding, seek advice on whether better value for the Shares may be obtained by selling on-market compared to exercising these rights.

Voting Restrictions

In relation to Resolution 1 and pursuant to Listing Rule 6.3.1 and Rule 17(2) of the Takeovers Code, Mr. Thomas Brankin, Mr. Michael John Kirwin Lay and their respective Associated Persons and Associates are prohibited from voting any Shares that they hold.

In relation to Resolution 2 and pursuant to Listing Rule 6.3.1, the Placement Participants and their Associated Persons are prohibited from voting any Shares they hold.

In relation to Resolution 3 and pursuant to Listing Rule 6.3.1 Teltower Limited and its Associated Persons are prohibited from voting any Shares that they hold.

In relation to Resolution 4 and pursuant to Listing Rule 6.3.1, each Director other than Mr. Thomas Brankin and their respective Associated Persons are prohibited from voting any Shares they hold.

In relation to Resolution 5 and pursuant to Listing Rule 6.3.1, any Employee of PIL together with their Associated Persons are prohibited from voting any Shares that they hold.

In relation to Resolution 6 and pursuant to Listing Rule 6.3.1, Mr. Stephen Underwood and his Associated Persons are prohibited from voting any Shares that they hold.

In relation to Resolution 7 and pursuant to Listing Rule 6.3.1, the current Directors (Mr. Stephen Underwood, Ms. Helen Down, Mr. Duncan Priest and Mr. Thomas Brankin) and their respective Associated Persons are prohibited from voting any Shares that they hold.

Under the Takeovers Code, “associates” are, in summary, where the persons are or through a third person, acting jointly or in concert, where one person acts or is accustomed to act in accordance with the wishes of the other person, where the persons are related companies or where the persons have a business relationship, personal relationship, or an ownership relationship such that they should, under the circumstances, be regarded as associates. Under the Listing Rules, “Associated Persons” has a similar definition.

PIL will disregard any votes cast on Resolutions 1, 2, 4, 5, 6 and 7 by any persons to whom the foregoing applies. Any discretionary proxies given to persons disqualified from voting under the requirements set out above will not be valid.

Interested Directors

Mr. Thomas Brankin is, as a Director, *interested* in Resolutions 1 and has abstained from voting on the Board on matters associated with the subject matters of those Resolutions.

Mr. Stephen Underwood is, as a Director, *interested* in Resolution 6 and has abstained from voting on the Board on matters associated with the subject matters of that Resolution.

Every Director is *interested* in Resolution 7 given that it relates to Director remuneration. The Directors have however been permitted to vote on and be counted in a quorum for a board meeting in relation to Resolution 7 on the basis of Listing Rule 2.10.2.

Under the Listing Rules, for the purpose of Rule 2.10, the term “interested” bears the meaning assigned in section 139 of the Companies Act being when a director:

- is a party to, or will or may derive a material financial benefit from, the transaction; or
- has a material financial interest in another party to the transaction; or
- is a director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction not being a party or person that is -
 - the company’s holding company being a holding company of which the company is a wholly-owned subsidiary;
 - a wholly-owned subsidiary of the company; or
 - a wholly-owned subsidiary of the company; or
- is the parent, child, spouse, civil union partner, or de facto partner of another party to, or person who will or may derive a material financial benefit from, the transaction; or
- is otherwise direct or indirectly materially interested in the transaction.

Independent Report

Accompanying this Notice of Meeting is the Independent Report. The Independent Report has been prepared by Simmons Corporate Finance Limited and constitutes an appraisal report for the purposes of the Listing Rules, and a report from an independent adviser for the purposes of the Takeovers Code. Shareholders are urged to read the Independent Report in full.

Profile

A Profile as required under Listing Rules 1.11.1 and 7.3.1 accompanies this Notice of Meeting. The Profile discloses particulars of the assets and business of PIL if the Transactions are approved. The Profile is forward looking and assumes:

- the Resolutions contained in this Notice of Meeting that relate to the Transactions have all been passed; and
- the Transactions are implemented on the basis set out in this Notice of Meeting.

NZX No Objection

This Notice of Meeting has been reviewed by NZX. NZX has confirmed it has no objection to this Notice of Meeting.

Trading Suspension in PIL Shares

In accordance with NZX practice for reverse listings, trading in the shares of PIL on the NZX Market was suspended at the time that the Transactions were first announced to market. It is expected that this suspension will be lifted and trading will resume after the Meeting has been held and the results of the Meeting have been announced to market.

EXPLANATORY NOTES

INTRODUCTION

PIL's previous business activities involved the manufacturing, sales and marketing of two health supplements, Arthrem and Artevite. As explained in the Chairman's letter, PIL encountered a number of difficulties with those business operations and has now ceased those operations.

These difficulties are apparent in PIL's recently released annual report for the year ending 31 December 2019 where the audit opinion was disclaimed due to PIL incurring a net loss for the year of \$2.4 million, having negative working capital and equity and being subject to litigation. These factors together meant the auditor could not form an opinion about PIL's ability to continue as a going concern.

To stabilise PIL and provide new value opportunities for shareholders, the Board has been investigating new business opportunities for PIL. These investigations have led to the opportunity to pursue the transactions and re-focus PIL's business operations into the New Zealand aged care sector.

A profile of PIL including its history is provided in section 4 of the Independent Report. Key dates for the Transactions are:

PIL shareholder meeting	2 pm, 11 June 2020
Meeting results announced to market, suspension lifted and Shares resume trading on NZX Market	11 June 2020
Shares enter trading halt	5pm, 18 June 2020
Completion of the Proposed Transaction (including the issue of all New Shares)	19 June 2020
Trading halt of Shares on NZX lifted	19 June 2020
Release of Interim Results for six months to 30 June 2020	By 29 August 2020
Share Purchase Plan	September 2020
Share Consolidation and Minimum Holdings Purchase	October 2020

These key dates and references to them throughout this document are indicative only and may change. PIL reserves the right to amend the dates without prior notice, subject to applicable law and the Listing Rules. NZX will continue to apply the suspension of trading in Shares until the shareholders have voted at the PIL Shareholder Meeting.

THE TRANSACTIONS

The Resolutions put forward in this Notice of Meeting involve seeking shareholder approval for the following transactions:

- **Brankin Acquisitions:** acquiring the five companies that own and operate the Facilities and a sixth company that leases the Aldwins Property;
- **Ranfurly Development:** acquiring bare land from the Brankin Family Trust and developing 32 new external units and 10 new internal units at the Ranfurly Residential Care Centre;
- **Aldwins Option:** the Board being authorised to issue up to 4 billion shares at an issue price of \$0.001 per Share towards satisfaction of the purchase price if it decides to exercise the Aldwins Option and purchase the land and buildings comprising the Aldwins Facility;
- **Equity Issuances:** issuing up to 16 billion new Shares in the Company at an issue price of \$0.001 per share to raise up to \$16 million of capital to fund, in part, the Purchase Price and up to an additional \$5 million at \$0.001 per Share under the Share Purchase Plan to reduce debt or fund growth.
- **Debt Facilities:** entering new debt facilities of approximately \$17.78 million to partially fund the Purchase Price and provide working capital resources.

- **Remuneration and Incentives:** authorise the Board to set new remuneration levels and offer equity incentives in respect of Directors and Employees that are commensurate with the scale and operations of PIL following the Transactions.

The above transactions have the effect of changing the essential nature of PIL's business to the ownership and operation of aged care facilities, as is described more fully in the Profile.

Each of these key elements to the transactions are discussed in further detail below.

BRANKIN ACQUISITIONS

PIL has entered into the Purchase Agreement to acquire 100% of the shares on issue in the following companies (**Brankin Companies**):

- Ranfurly Manor Limited.
- Ranfurly Manor No: 1 Limited.
- Nelson Street Resthome Limited.
- Eileen Mary Age Care Property Limited.
- Eileen Mary Age Care Limited.
- Aldwins House Limited.

The Brankin Companies own and/or operate the Facilities:

- Ranfurly Residential Care Centre located at 6 Monmouth Street Feilding;
- Nelson Residential Care Centre located at 38 Nelson Street, Feilding;
- Eileen Mary Residential Care Centre located at 44 Trafalgar Street, Dannevirke; and
- Aldwins Facility located at 62 Aldwins Road, Christchurch and intended to start operating as an aged care facility in the next six months.

On or prior to Completion of the Purchase Agreement, the Brankin Family Trust will conduct a restructure of the ownership arrangements of the Facilities and the land interests being sold under the Purchase Agreement (**Restructure**). This aspect of the Transaction is discussed further below.

Further information about the Facilities and the Brankin Companies, including PIL's corporate structure following Completion, can be found in the Profile. The following is a summary of the material commercial terms of the Purchase Agreement:

Purchase Price

The Purchase Price for the Brankin Acquisitions is \$31,385,000 and is to be satisfied by:

- A payment in cash to the Brankin Family Trust at Completion of \$23,385,000 (funded by the Bank Facilities and the Placements); and
- The issue of the Consideration Shares at Completion to the Brankin Family Trust, being \$8,000,000 of Shares at an issue price of \$0.001 per Share.

The purchase price is the value of the assets agreed by PIL and the Brankin Family Trust by reference to independent valuations undertaken as at 31 March 2019 (which were the most current valuations at the time negotiations for the Transaction commenced).

In addition to the above, a separate purchase price of \$14,180,000 is being ascribed to the Ranfurly Development Land. This aspect of the Transactions is discussed further below.

The Purchase Price may be adjusted after Completion through an adjustment amount. The adjustment amount will be the monetary amount equal to prepayments minus reimbursements.

Prepayments means each of the following:

- any amounts paid by or on behalf of the Brankin Companies on or before Completion to the extent that such amount relates to goods or services to be supplied to the Facilities on or after Completion;
- any other payments in advance made by the Brankin Companies in respect of the operation of the Facilities, to the extent that the benefit of the payment is received or is to be received by the Facilities after Completion; and
- any cash on hand in the Brankin Companies as at Completion.

Reimbursements means each of the following:

- any amounts received by or on behalf of the Brankin Companies on or before Completion to the extent that such amount relates to goods or services to be supplied by the Facilities after Completion; and
- any amounts payable for goods and services supplied to and consumed by the Facilities or otherwise due by the Brankin Companies in connection with the operation of the Facilities before Completion to the extent that the benefit was received by the Facilities before Completion and where payment is due but has not been made on or before Completion.

The adjustment amount will be determined through the preparation of an adjustment statement which will set out the value of all prepayments, reimbursements and the adjustment amount. The amount will be calculated as at Completion and settled within two months after Completion. If the adjustment amount is a positive figure, the Purchase Price will increase by the value of the adjustment amount, and a negative figure will correspondingly decrease the Purchase Price by the value of the adjustment amount.

Conditions

As at the date of this notice, the outstanding conditions required for Completion under the Purchase Agreement are:

- The shareholders of PIL approving the Transactions as required under the Takeovers Code, Companies Act and the Listing Rules. This condition must be satisfied by 12 June 2020.
- PIL and the Brankin Family Trust obtaining any contractually required change of control consents for the Brankin Companies for the Transactions and the Restructure. This condition must be satisfied by 19 June 2020.
- A debt provider making the funds available under the Bank Facilities to allow Completion to occur. This condition must be satisfied by 19 June 2020.
- PIL holding legally binding commitments to take up shares under the Placements of at least \$6,000,000. This condition must be satisfied by 19 June 2020.

The status of these conditions at the date of this Notice are discussed further below.

Completion requirements

The requirements to be satisfied at Completion include requirements that are standard for a share sale and purchase transaction of this nature such as evidence of change of control approvals and changing the composition of the board of directors of the Brankin Companies.

Warranties and indemnities

The Purchase Agreement contains warranties in favour of PIL that:

- Clear title to the shares in the Brankin Companies will pass to PIL.
- There are no outstanding material claims, disputes or litigation concerning the Brankin Companies.
- All material information for assessing the Brankin Companies has been disclosed to PIL.
- Other warranties that are customary or common for transactions of this nature are provided.

PIL has given the Brankin Family Trust an indemnity in respect of its taxation compliance up until Completion. The Brankin Family Trust has given PIL an indemnity in respect of the taxation compliance of the Brankin Companies up until Completion.

Restructure

On or prior to Completion, the Brankin Family Trust intends to restructure the ownership arrangements of the Facilities and the land interests being sold through the Purchase Agreement. It is intended that this will help deliver to PIL the Brankin Companies which hold the relevant business interests in the Facilities free of any corporate trading history.

Currently the following companies own assets used by the Facilities that the parties to the Purchase Agreement intend for PIL to acquire on completion (**Existing Companies**):

- Eileen Mary Holdings Limited (previously named Eileen Mary Age Care Limited);
- Ranfurly Manor Holdings Limited (previously named Ranfurly Manor Limited); and
- Design Care Group Limited.

To allow the Brankin Family Trust to retain its shareholdings in the Existing Companies and PIL to acquire the relevant business interests, the Brankin Family Trust has incorporated the following companies that will be acquired by PIL under the same names as the previous names of the Existing Companies (**New Companies**):

- Eileen Mary Age Care Limited;
- Ranfurly Manor Limited; and
- Nelson Street Resthome Limited.

The Brankin Family Trust has agreed to complete the Restructure by transferring the relevant business interests in the Existing Companies to the New Companies prior to completion.

RANFURLY DEVELOPMENT

The Ranfurly Development Land is bare land that adjoins the Ranfurly Residential Care Centre and is being sold to PIL under the Purchase Agreement. It is intended that the Ranfurly Development Land will be developed to expand the capacity of the Ranfurly Residential Care Centre (the **Ranfurly Development**).

The Ranfurly Development involves the construction of up to thirty-two new external units and ten new internal units in three stages (with the removal of one existing internal unit to connect the ten new internal units to the existing Ranfurly Residential Care Centre). Stage 1 consists of ten internal units and ten external units; Stage 2 consists of ten external units and Stage 3 consists of twelve external units. However, the construction of these units may be pursued more slowly or aggressively depending on prevailing demand.

As noted above a separate purchase price has been ascribed to the Ranfurly Development Land, being \$14,180,000 (**Ranfurly Purchase Price**). This amount will be treated as an interest free loan repayable to the Brankin Family Trust following Completion (**Ranfurly Loan**). The Ranfurly Purchase Price has been set at a level that assumes the development of the Ranfurly Development Land has been completed at Completion. At Completion PIL shall grant a mortgage (ranking behind the Bank Facilities provider and the statutory supervisor) in favour of the Brankin Family Trust (or their nominee) over the Ranfurly Development Land to secure the Ranfurly Loan under the Purchase Agreement.

Following Completion, interests associated with Mr. Brankin may fund and complete the landscaping of the Ranfurly Development Land as part of the Ranfurly Development and complete the Ranfurly Development at their risk. PIL and interests associated with Mr. Brankin will work towards completing the Ranfurly Development within seven years from Completion.

As new units are constructed at the Development, PIL will market and sell Occupation Right Agreements (**ORA**) for those units. ORAs are an agreement to provide the right to occupy a residential unit in a retirement village and governs the management, services, charges and the nature of the right to occupy and deal with the unit. All costs incurred in marketing, offering and entering into ORAs for the units on the Ranfurly Development Land shall be met by PIL. It is the intention of PIL to have ORAs in place that commence upon construction completion for units in the Ranfurly Development. PIL is only liable to make repayments on the Ranfurly Loan from the proceeds of the first ORA sold for each unit in the Ranfurly Development. PIL will be entitled to the full proceeds of each subsequent ORA for a unit in the Ranfurly Development.

When the Ranfurly Development is completed and an ORA sold for each new unit in it, the Ranfurly Loan will have been fully repaid and PIL will enjoy the full financial benefit of the Ranfurly Development in the future. If the Ranfurly Development is not completed within seven years following Completion (unless the parties agree to an extension) or on certain limited grounds, then the arrangement is terminated, the Ranfurly Purchase Price (and therefore the Ranfurly Loan) is reduced to the sum of the repayments already made, amounts to be received for units that are constructed or partially constructed once an ORA for them is settled and a land value for any undeveloped land remaining at that time.

PIL can only be called upon to make any repayment on the Ranfurly Loan from the proceeds of the first ORA sold for a new unit in the Ranfurly Development and in no other circumstances. Accordingly, this arrangement funds the expansion of the Ranfurly Residential Care Centre for PIL with PIL carrying no development risk but receiving the long-term benefit of the Ranfurly Development. PIL expects there to be continued demand for units in the extension given limited facilities in the Feilding area and aging demographics. However, given the financing arrangements for the extension, slow or delayed sales will place minimal financial risk on PIL.

ALDWINS OPTION

The Aldwins Property is owned by Teltower Limited (**Aldwins Landlord**), which is owned by Ian Cassels and Patricia Taylor.

The Aldwins Option gives PIL a discretionary right to purchase the land and buildings at the Aldwins Facility at any time until 31 May 2021 for the Aldwins Purchase Price, being \$10,000,000 plus up to \$1,000,000 to reimburse the Aldwins Landlord for the costs of certain improvements at the property. The maximum amount of the Aldwins Purchase Price payable by PIL is \$11,000,000 plus GST (if any).

If PIL elects to exercise the Aldwins Option, the following material terms will apply:

- PIL must give the Aldwins Landlord 10 working days' written notice of its decision to exercise the Aldwins Option;

- The settlement of PIL's purchase of the Aldwins Property will take place no later than 20 working days from the date that PIL gives that written notice to Aldwins;
- The general conditions of sale contained in the Auckland District Law Society Agreement for Sale and Purchase will apply. The provisions of that agreement include the usual warranties and indemnities to be provided by Aldwins Landlord, as vendor, that PIL can expect to receive as purchaser;
- PIL can satisfy the Aldwins Purchase Price as follows:
 - up to \$4,000,000 can be satisfied by issuing to the Aldwins Landlord up to 4 billion Shares in PIL at an issue price of \$0.001 per Share (or proportionally adjusted to take account of any share consolidation undertaken by PIL prior to the Aldwins Option being exercised) (**Aldwins Shares**); and
 - The balance in cash.

PIL will only exercise the Aldwins Option if it has access to sufficient finance on reasonable commercial terms to satisfy the Aldwins Purchase Price and there is a real benefit to PIL in acquiring the Aldwins Property. While a decision will be made in the prevailing circumstances it is the present intention of the Board to exercise the Aldwins Option.

If PIL does not exercise the Aldwins Option, PIL would still be entitled to continue operating the Aldwins Facility under the Aldwins Lease.

FINANCING

The Transactions and working capital for PIL will be funded from the following sources:

- Share issue to Brankin Family Trust (\$8 million).
- Bank Facilities (\$17.78 million).
- Placements (up to \$8 million).

The financing arrangement for the purchase of the Ranfurly Development Land is discussed above in the description of the Transactions. The three financing components above are further described below.

Bank Facilities

The Transactions are conditional on the Bank Facilities being available for drawdown at Completion. At the date of this Notice of Meeting PIL has agreed conditional terms with a New Zealand registered bank (**Lender**) to provide funding as follows (**Bank Facilities**):

- The Lender provides an amortising term loan of \$17,780,000, for a term of 3 years. Facility amortisation is \$1,000,000 per annum with quarterly reductions.
- The interest rate is 3% plus the three-month bank bill market rate (BKBM).
- PIL providing the following security:
 - PIL and each member of the guaranteeing group (being PIL, each of the Brankin Companies and Aged Care Holdings Limited) entering into a first ranking general security agreement in favour of the Lender;
 - Interlocking cross-guarantee between PIL and each member of the guaranteeing group;
 - A first ranking mortgage over each of the secured properties (being each of the Facilities except for the Aldwins Property); and

- Limited recourse share security over shares in Aged Care Holdings Limited;
- PIL agreeing to comply with covenants that include:
 - financial covenants, including a debt service cover ratio, an interest cover ratio and a 55% loan to value ratio; and
 - reporting covenants, including quarterly reporting, provision of accounts and budgets and annual registered valuations of the Facilities by a bank approved valuer.

At the date of this Notice the Bank Facilities are under credit committee consideration with the Bank and a decision is expected at the end of May 2020. PIL has, as a pre-condition to the lending, had an independent business review report on the Transactions completed by Deloitte and has no outstanding pre-conditions. If credit committee approval is given, PIL expects legally binding documentation for the Bank Facilities to be prepared and issued. While PIL anticipates that credit committee approval will be given, it remains in discussions with a second New Zealand registered bank as a back-up. If PIL did need to go with the second bank it is talking to, PIL anticipates that the terms would not materially differ from those described above.

PIL will inform the market on progress with satisfying the Bank Facilities condition in accordance with its continuous disclosure obligations.

Share Issues

The Share issues to fund the Transactions will all be undertaken at \$0.001 per Share and involve:

- \$8 million through an issue of 8 billion Shares to the Brankin Family Trust.
- Up to \$8 million through an issue of up to 8 billion Shares under the Placement.

PIL has been in discussions with a number of wholesale investors (**Placement Participants**) to subscribe for Shares at an issue price of \$0.001 per Share. At the date of this Notice, PIL has:

- Entered a binding subscription agreement with Ian Bracken Cassels (or nominee) where Mr. Cassels has agreed to subscribe for \$1.7 million of Shares at \$0.001 per Share conditional on Completion occurring under the Purchase Agreement (**Cassels Subscription**). Mr Cassels is a director and shareholder of Teltower Limited which owns the Aldwins Property. Payment is due after Completion on 15 July 2020. If payment has not been made by the time PIL exercises the Aldwins Option, PIL may retain \$1.7 million of cash of the Aldwins Purchase Price and issue an equivalent value in Shares.
- Indicative, non-binding interest from approximately 12 wholesale investors to subscribe for approximately \$4.0 million of Shares under the Placement. None of these wholesale investors are anticipated to hold 5% or more of PIL's shares immediately following Completion.
- Indicative, non-binding interest from 2 wholesale investors to advance up to \$1.7 million to PIL should it be required to meet the condition that PIL raise \$6 million in aggregate to part fund the Purchase Price. This would be a short-term arrangement that is essentially bridge financing of the Cassels Subscription to allow Completion to occur. While the form of this bridge finance is still to be determined, it is likely to be in the form of short-term convertible debt which would be repaid from the proceeds of the Cassels Subscription when it is received by PIL in mid-July 2020. The terms of the short-term debt may provide for the lenders to convert all or part of the amount they advance to Shares (at their option) at \$0.001 per Share and may provide that PIL pays a commercial rate of interest. If secured this funding option would only be drawn upon to the extent necessary to meet the \$6 million funding condition (when taken together with the Placements).

Payment for the Shares issued under the Placement (excluding the Cassels subscription) is due after the Meeting but prior to Completion so that PIL is in funds at Completion. The Transaction is conditional

on \$6 million of these funds being available at Completion. PIL will keep the market informed on progress with this condition in accordance with its continuous disclosure obligations.

PIL will continue discussions with other wholesale investors regarding additional participation in the Placement following Completion so that the Placement may reach up to \$8 million in aggregate. Any additional funds raised by PIL under the Placement following Completion will be used for future growth or reduction of debt. PIL is seeking the capacity to raise up to \$8 million and issue 8 billion Shares in aggregate under the Placement until 12 months following the date of the Meeting.

All Consideration Shares issued under the Brankin Acquisition to the Brankin Family Trust will be fully paid ordinary shares ranking equally in all respects with all existing Shares. However, the Brankin Family Trust has agreed to escrow Shares that are received.

The Brankin Family Trust has agreed to enter into a restricted security deed on the following terms:

- The restricted security deed will place certain restrictions on:
 - 100% of the Consideration Shares (8 billion Shares) for 6 months from Completion;
 - 75% of the Consideration Shares (6 billion Shares) for 12 months from Completion;
 - 50% of the Consideration Shares (4 billion Shares) for 18 months from Completion; and
 - 25% of the Consideration Shares (2 billion Shares) for 24 months from Completion.

(Restricted Periods)

- During the Restricted Periods, the Brankin Family Trust is prohibited from:
 - Selling, transferring, assigning or otherwise disposing of, or offer or agree to sell, transfer, assign or otherwise dispose of their right and title to, and beneficial interest in the Consideration Shares otherwise than by way of granting a security interest in favour of any bona fide lender to the Brankin Family Trust; or
 - Do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Consideration Shares during the Restricted Periods otherwise than pursuant to the enforcement of any loan and/or security interest granted to a bona fide lender to the Brankin Family Trust.

Further details on these share issues, including control and dilution implications are discussed below.

SHARE ISSUES

Resolutions 4, 5 and 6 in this Notice of Meeting seek to approve the issue of equity securities under:

- The Share Purchase Plan;
- The Employee Share Scheme; and
- The Director Shares.

Share Purchase Plan

Resolution 4 of this Notice of Meeting is intended to approve the Share Purchase Plan that PIL intends to offer to eligible shareholders within 12 months of the date of the Meeting. PIL will not however make the Share Purchase Plan offer until it has released its first periodic financial reporting under the Listing Rules.

The purpose of the Share Purchase Plan is to allow PIL's existing shareholders the opportunity to acquire additional Shares in PIL at the same issue price of \$0.001 that is offered under the Transaction and to allow PIL to raise capital to grow and/or reduce debt.

The key terms of the proposed Share Purchase Plan are as follows:

- the maximum number of Shares offered under the Share Purchase Plan is 5,000,000,000 (5 billion) Shares;
- each shareholder of PIL on the record date for the offer will have a non-renounceable entitlement to subscribe for up to \$15,000 in Shares in PIL (being 15 million Shares) at an issue price of \$0.001 per Share (subject to scaling);
- if PIL receives applications that exceed the 5 billion maximum number of Shares offered, applications will be scaled down on a proportionate basis to the shareholding percentage of all shareholders that wish to participate in the Share Purchase Plan;
- an oversubscription facility (which is subject to availability and scaling) will also be available for any shareholders that want to subscribe for more than their maximum entitlement at the same issue price of \$0.001 per Share; and
- the offer timetable (including the record date) will be advised to the market and will be determined in accordance with the Listing Rule requirements.

PIL may choose to not extend the offer to shareholders resident outside of New Zealand if the costs or requirements of doing so are unduly burdensome.

The Board has decided to structure the offer to shareholders as a fixed entitlement to subscribe for shares rather than a proportionate entitlement offer (i.e. rights issue). The Transactions will cause substantial dilution and a proportionate offer would be unlikely to give the vast majority of shareholders a meaningful entitlement to consider taking up.

As part of undertaking the Share Purchase Plan, the Board intends to take two other steps to rationalise its share register:

- Undertake a share consolidation to reduce proportionately the number of Shares on issue. The ratio for the consolidation will be determined and advised to the market in due course.
- Issue a notice under the Listing Rules and the new constitution requiring shareholders holding Shares below a minimum holding level (\$1,000 in aggregate) to increase their holding to the minimum holding level or PIL will acquire the relevant Shares. PIL has a large number of such shareholders on its share register and they will, through the Share Purchase Plan, be given a brokerage free opportunity to increase their holding if they wish.

PIL expects to complete the consolidation and the minimum holdings buyback in October after allotment of the Share Purchase Plan.

NZX Regulation has released COVID-19 related class waivers to increase non-shareholder approved equity capital raising capacity, including for share purchase plans. However, this class waiver period ends on 31 October 2020 and to ensure the Share Purchase Plan can proceed as intended should any delays occur, PIL is seeking shareholder approval for this Share Purchase Plan to have greater time flexibility.

Employee Share Scheme

Resolution 5 in this Notice of Meeting seeks to approve the issue of Shares for the purpose of enabling any Employees of PIL to acquire ordinary Shares under an unpaid share plan (**Employee Share Scheme**).

The Board wishes to offer Employees an opportunity to participate in the future success of PIL and incentivise their performance in a way which aligns with the creation of shareholder value.

The new Employee Share Scheme that PIL proposes to offer to Employees after Completion allows Employees an opportunity to participate in the growth and expansion of PIL in the aged care sector following Completion of the Transactions and to reward Employees for their continued loyalty to PIL. As part of the Transactions PIL will inherit a number of key staff who are responsible for operating the various facilities at a day to day level and are vital to the success of the facilities.

The terms of the proposed Employee Share Scheme are as follows:

- up to 1,000,000,000 (1 billion) unpaid Shares will be issued to Promisia Trustee Limited (**Nominee**) under the Employee Share Scheme for the issue price of \$0.001 per Share (**Issue Price**) which is the same issue price offered under the Transactions. The Nominee is a wholly owned subsidiary of PIL and will hold the unpaid Shares on trust for PIL and Employees subject to the rules of the Employee Share Scheme; and
- Shares will be vested with Employees over a defined period to provide an incentive and retention arrangement that is appropriate in the circumstances. While the unpaid Shares remain unpaid, they will confer no voting rights.

The proposed Employee Share Scheme and all of the unpaid Shares under that scheme will be offered to Employees by sending an offer letter which specifies:

- The number of unpaid Shares allocated to the Employee;
- The Issue Price (as payable by the Employee);
- That the allocation of unpaid Shares will vest on a defined date (**Vesting Date**);
- That it is a vesting condition that the Employee is employed by (or contracted to) PIL on a Vesting Date in order for the relevant unpaid Shares to vest;
- That when unpaid Shares vest, the Issue Price must be paid for those vested shares within a defined time period (**Payment Dates**); and
- That PIL holds a lien over the unpaid Shares until they are vested and fully paid up and they may not be transferred or otherwise dealt with by an Employee during such time.

The Issue Price may be paid by an Employee on the Payment Dates in respect of the unpaid Shares that have vested. The Issue Price may be paid through either or a combination of the following means:

- **Bonus:** If PIL issues an Employee any cash bonus under any PIL bonus scheme, then the Board may, with the agreement of the Employee, apply any such bonus to outstanding amounts due on vested unpaid Shares allocated to the Employee. However, any such payment shall be limited to the net amount of such cash bonus (for example, net of PAYE tax).
- **Voluntary Payment:** An Employee is entitled to pay up their vested unpaid Shares from their own financial resources.

Upon the unpaid Shares being fully paid up (which may only occur after they have vested), the Nominee will transfer legal title to the relevant fully paid ordinary Shares to the relevant Employee. The Employee will then receive legal title to the relevant fully paid ordinary Shares and only then will the Employee have the ability to hold (and exercise all rights attaching to), or sell, those Shares as they wish.

Unpaid Shares shall revert to being held on trust by the Nominee exclusively for PIL (at which time PIL may cancel such unpaid Shares) following the occurrence of any of the following events:

- **Expiration of Time:** Unless the Board gives an Employee written notice to the contrary, when any unpaid Shares are not fully paid within a specified time period of being allocated to an Employee.

- **Election by Employee:** Upon an Employee providing written notice to PIL that they wish to surrender their interest in any unpaid Shares.
- **Cancellation:** If the Employee's employment or engagement with PIL ceases due to a breach of the Employee Share Plan or an act of serious misconduct.
- **Insolvency of PIL:** If an insolvency event occurs in respect of PIL.
- **Bankruptcy of Employee:** If the Employee suffers any event analogous to an insolvency (as determined by the Board), such as bankruptcy.

The Board retains certain discretions under the Employee Share Scheme. For example, if an Employee has ceased to be an employee or engaged by PIL on a Vesting Date, then the Board may still allow all or a portion of the unpaid Shares to be vested.

Director Share Scheme

Resolution 6 of this Notice of Meeting is intended to approve the issue of Shares for the purpose of enabling PIL's Chairman Mr. Stephen Underwood to acquire ordinary Shares under an unpaid share plan (**Director Share Scheme**).

The terms of the proposed Director Share Scheme are as follows:

- up to 150,000,000 (150 million) unpaid Shares will be issued to Promisia Trustee Limited (**Nominee**) under the Director Share Scheme on Completion for the issue price of \$0.001 per Share (**Issue Price**), which is the same issue price offered under the Transactions. The Nominee is a wholly owned subsidiary of PIL and will hold the unpaid Shares on trust for Mr Underwood subject to the rules of the Director Share Scheme;
- Shares will be vested with Mr Underwood over a two-year period from Completion to provide an incentive and retention arrangement that is appropriate in the circumstances. While the unpaid Shares remain unpaid, they will confer no voting rights; and
- That PIL holds a lien over the unpaid Shares until they are vested and fully paid up and they may not be transferred or otherwise dealt with by Mr Underwood during such time.

The Issue Price of unpaid Shares under the Director Share Scheme that have vested in Mr Underwood may be paid at any time through either a combination of the following means:

- **Director's Fees:** Mr Underwood may elect to allocate all or part of his annual director's fees to pay up any vested Shares that are unpaid; and/or
- **Voluntary Payment:** Mr Underwood is entitled to pay in cash any vested Shares that are unpaid under the Director Share Scheme.

Upon the unpaid Shares being fully paid up (which may only occur after they have vested), the Nominee will transfer legal title to the relevant fully paid ordinary Shares to Mr Underwood. Mr Underwood will then receive legal title to the relevant fully paid ordinary Shares and only then will Mr Underwood have the ability to hold (and exercise all rights attaching to), or sell, those Shares as he wishes.

Unpaid Shares shall revert to being held on trust by the Nominee exclusively for PIL (at which time PIL may cancel such unpaid Shares) following the occurrence of any of the following events:

- **Expiration of Time:** Unless the Board gives Mr Underwood written notice to the contrary, when any unpaid Shares are not fully paid with a specified period of being allocated to Mr Underwood;
- **Election:** Upon Mr Underwood providing written notice to PIL that he wishes to surrender his interest in any unpaid Shares;

- **Cancellation:** If Mr Underwood's employment or engagement with PIL ceases due to a breach of the Director Share Plan or an act of serious misconduct;
- **Insolvency of PIL:** If an insolvency event occurs in respect of PIL; or
- **Bankruptcy:** If Mr Underwood suffers any event analogous to an insolvency (as determined by the Board), such as bankruptcy.

DIRECTORS FEES

Resolution 7 of this Notice of Meeting is intended to approve an increase in the amount of Directors' remuneration that PIL can pay in each financial year from \$100,000 to \$200,000, payable to all Directors in aggregate.

The current Directors' remuneration was set in 2016 and reflects the duties carried out by Directors based on PIL's business activities prior to the Transactions.

As the Transactions will substantially change the nature of PIL's business and PIL's commercial operations will increase significantly, the Directors' duties and governance responsibilities will inherently change. It is appropriate to review the Directors' fees to ensure the Directors receive remuneration that is commensurate with the increased scope of their duties, and the additional time they are required to commit to perform their responsibilities and attend to the affairs of PIL.

PIL seeks approval for the proposed remuneration as it considers it an appropriate level of remuneration for the following reasons:

- the increased amount of the directors' fee pool reflects the market remuneration as set by other NZX listed companies that also operate in the provision of aged care facilities, and has been adjusted according to the size of PIL in comparison to those companies;
- to retain Directors of an appropriate level of expertise and experience, PIL needs to remunerate its directors based on the scale of PIL's operations and the industry it operates in; and
- to attract new Directors, PIL must be paying a market level of directors' fees. PIL does intend to seek new directors with relevant expertise following Completion to strengthen its governance. In accordance with the Listing Rules on any new appointment occurring the director's fee pool will expand by the average amount paid to non-executive directors (disregarding additional committee or chairperson fees) giving remuneration capacity for such new appointments.

The proposed remuneration will take effect from Completion.

To provide flexibility in the manner in which directors' fees may be paid, Resolution 7 also seeks approval to pay directors' fees, in full or in part, by PIL issuing the directors equity securities rather than cash. The Board considers that adding this flexibility for the payment of directors' fees may be advantageous to PIL if it is in a position where it wishes to preserve cash and Directors agree at the time to take equity.

ADOPTION OF NEW CONSTITUTION

Resolution 9 in this Notice of Meeting seeks to approve the revocation of PIL's existing constitution and the adoption of a new constitution (**New Constitution**).

On 1 January 2019, NZX introduced new Listing Rules which replaced the former NZX Main Board Listing Rules dated 1 October 2017. PIL was required to comply with the updated Listing Rules from 1 July 2019.

The updated Listing Rules, under Listing Rule 2.18.1, require PIL to ensure that its constitution complies with the updated Listing Rules. A large number of amendments must be made to PIL's existing constitution to ensure that it complies with the new Listing Rules. Due to the number of amendments that are required to be made, and PIL's existing constitution needing to be modernised, the Board is recommending that PIL revoke its existing constitution and adopt the New Constitution.

The necessity to amend PIL's constitution has prompted the Board to undertake a complete review of PIL's existing constitution. In undertaking this review, the Board has taken into account the minimum holding acquisition that it wishes to implement to remove unmarketable share parcels through acquiring all Shares held by shareholders holding a parcel of Shares less than a Minimum Holding (as defined under the Listing Rules).

This has led the Board to identify a deficiency in the buyback and redemption provisions under the existing constitution in relation to the distribution of sale proceeds payable to shareholders that hold Shares which may be acquired by PIL. The Board expects there to be a significant number of shareholders holding less than a Minimum Holding who:

- have not kept an up to date address on PIL's share register and are unlikely to respond to provide or confirm their account details for payment of proceeds from the acquisition;
- are entitled to receive only very small monetary amounts for their shares and do not respond to requests for bank account details or create administrative costs in payment handling that are greater than their actual consideration due.

Without including an adequate mechanism for dealing with these proceeds, the Board will be required to deal with the proceeds in accordance with the burdensome requirements of the Unclaimed Money Act 1971 for, what is likely to be, insignificant sums.

To avoid the burdensome requirements, the Board proposes to include in the New Constitution the following process of paying out sale proceeds:

Application of Proceeds: The proceeds of any Shares acquired by the Board will be applied as follows:

- First, in payment of any reasonable sale expenses;
- Second, in satisfaction of any unpaid calls or other amounts owing to PIL in respect of the Shares; and
- The residue, if any, must be paid to the account of the person who was the shareholder immediately before the sale or to their executors, administrators or assigns.

Payment of proceeds: Where PIL does not hold up to date bank account details for a shareholder:

- And a shareholder is entitled to aggregate proceeds of less than \$20, the Board will donate the proceeds to any New Zealand based charity registered under the Charities Act 2005 and as nominated by the Board from time to time; and
- For any shareholders that are entitled to proceeds greater than \$20, the Board will:
 - make a reasonable attempt to notify those Shareholders of the amount due to them and requesting their bank account details. This obligation is discharged once the Board has sent at least one payment notice to a shareholder's most recent contact details recorded in PIL's share register. The payment notice must advise the amount of proceeds that shareholder is entitled to, request that shareholder to provide account details for payment of the proceeds within 30 working days from the date of the notice; and
 - if on the expiry of the payment notice that shareholder has not provided account details or otherwise communicated with PIL, will donate the proceeds to any charity registered under the Charities Act 2005 and as nominated by the Board from time to time.

Any donations made under the foregoing clauses will represent a complete discharge of the amounts otherwise due to the relevant shareholders.

The advantages of the New Constitution are that:

- It will be shorter and simpler. PIL's existing constitution is 55 pages and the New Constitution is only 18 pages;
- It modernises provisions that are now outdated as the existing constitution was adopted in 2001 and legislation that is referred to in the constitution has been amended or superseded; and
- The provisions of the New Constitution incorporate the Listing Rules by reference so if the Listing Rules are amended in the future, those amendments are incorporated into the New Constitution by reference without a constitutional amendment being required; and
- It includes the simple and less burdensome process set out above for paying out the sale proceeds to shareholders from Shares redeemed or acquired by PIL.

Apart from the inclusion of the simplified process for paying out the sale proceeds, the New Constitution also includes the following key changes as compared to PIL's existing constitution:

Directors

The rules requiring regular retirement and re-election of directors have been changed.

Under the previous NZX Listing Rules, one third of directors or the number nearest to one third, must retire at the annual meeting in each year and are eligible for re-election. The directors required to retire were those who had been in office the longest. Executive directors were not required to retire by rotation and the term of appointment of any executive director was not to exceed five years. PIL's existing constitution incorporated these rules by reciting the conditions of the previous Listing Rules and providing that one executive director shall be exempt from the obligation to retire by rotation.

Under the new Listing Rules, a director may not hold office without being re-elected past the third annual meeting after their appointment or re-election, or for three years, whichever is the longer. The requirement providing that executive directors not retire by rotation and their term not exceed five years was also removed.

The New Constitution has been amended to reflect these changes by removing the clauses in respect of rotation and executive directors and providing that directors shall retire from office when required by the Listing Rules and, subject to the Listing Rules, shall be eligible for re-election.

Board Composition

The New Constitution has been amended to include an express statement that PIL shall comply with the minimum board composition requirements of the new Listing Rules.

Other Changes

A number of other changes have been proposed in the New Constitution to reflect the Listing Rules, and to simplify the form of the New Constitution by removing unnecessary repetition of provisions of the Companies Act and the Listing Rules with which PIL must comply and which would in any event take precedence in the event of any existing or future inconsistency with the provisions of PIL's constitution.

The following changes are also proposed to generally update the provisions of the New Constitution:

- Updating the company name from Savoy Equities Limited to PIL;
- Amending the alternate director provision to provide that alternate directors are entitled to receive remuneration in proportion to their appointer as their appointer may direct by notice in writing to PIL; and
- To specify that if there are any provisions in the New Constitution that are inconsistent with the Listing Rules (as amended by any waiver or ruling granted to PIL), the Listing Rules will prevail. This is not the present position under the existing constitution.

The New Constitution will not affect the rights attached to PIL's Shares, nor impose or remove any restrictions on PIL's powers.

The form of the New Constitution can be viewed at www.nzx.com/companies/PIL/announcements.

PIL's solicitors, Duncan Cotterill, have provided an opinion to NZX that they consider the proposed New Constitution complies with the Listing Rules, as required under Listing Rule 2.19.1.

EFFECT OF RESOLUTIONS

Effect of Resolutions passing

If the Resolutions are all passed:

- PIL will own a substantial and established business in the aged care sector with a footprint in both the North and South Island of New Zealand;
- PIL will have the opportunity to develop and expand the business operations acquired, initially through the Ranfurly Development Land which is fully funded through the Transactions;
- PIL will secure a new stream of income and have a strong balance sheet;
- PIL can leverage the reputation and expertise of the Facilities to establish the Aldwins Facility which is located in an area understood to have high demand for more aged care facilities;
- PIL would also secure an option to purchase the Aldwins Property at a fixed purchase price;
- On and after Completion of the Transactions, PIL will:
 - implement the Employee Share Scheme that will promote staff retention; and
 - offer the Share Purchase Plan that will allow PIL shareholders an opportunity to acquire Shares at the issue price offered under the Transactions and allow PIL to raise more capital for growth.

This Notice of Meeting should be read in conjunction with:

- the Profile, which discloses particulars of the assets and business plan of PIL if the Resolutions are passed; and
- the Independent Report, which assesses the fairness of the Transactions.

Effect of Resolutions not passing

The effect of the Resolutions not passing, is as follows:

- PIL will have no operating business or sources of income;
- If PIL is unsuccessful in defending the Ministry of Health charges, PIL will have no trading future and even if PIL is successful, PIL will have no working capital to continue business operations;
- PIL is unlikely to be offered another opportunity to undertake a transaction of the type contained in this Notice of Meeting (see section 2.7 of the Independent Report); and
- As at 31 December 2019, the Brankin Family Trust had made advances and loans to PIL totalling \$855,175. To secure repayment, the Brankin Family Trust holds a general security over PIL's assets. If the Resolutions do not pass, PIL will likely be insolvent and Brankin Family Trust would be entitled to appoint a receiver under its general security. If this occurs (or if there is instead a liquidator appointed) shareholders will have a total loss on their investment in PIL.

For further discussion of the effects of resolutions passing and not passing, see section 2 of the Independent Report.

Dilution Effect

Resolutions 1, 2, 3, 4, 5, 6 and 7 all involve the issue of equity securities. The equity securities concerned involve Shares and unpaid Shares. Assuming that the Resolutions are all passed and all Shares that are authorised for issue under the Resolutions are issued (and paid up), then dilution will occur in respect of current shareholdings.

The dilutionary effect on a shareholder that does not participate in the Share Purchase Plan is as follows¹:

Current Shares on Issue:		2,151,797,451
Resolution 1: Shares issued to Brankin Family Trust under the Transactions.	8,000,000,000	
Resolution 2: Shares issued under the Placement	8,000,000,000	
Resolution 3: Shares issued as purchase price under the Aldwins Option.	4,000,000,000	
Resolution 4: Shares issued under the Share Purchase Plan.	5,000,000,000	
Resolution 5: Shares issued under the Employee Share Scheme.	1,000,000,000	
Resolution 6: Shares issues under the Director Share Scheme	150,000,000	
Total Shares approved for issue under the Resolutions:		26,150,000,000
Total Shares on Issue following completion:		28,301,797,451
Example Shareholder percentage holding pre allotments:		10.00%
Example Shareholder percentage holding post allotments:		0.76%

The Transactions will result in a non-participating shareholder's shareholding in PIL being diluted materially. The number of Shares each shareholder has in PIL following Completion will remain unchanged by the Share issues, but the percentage of PIL that such a shareholder holds will be substantially reduced.

Shareholders will have an opportunity to increase their shareholding and off-set this dilutionary effect by subscribing for additional Shares in PIL under the Share Purchase Plan when it is offered. If Shareholders choose not to participate in the Share Purchase Plan, their relative shareholdings will be diluted further. For further detail, see section 2.10 of the Independent Report.

REQUIREMENTS FOR RESOLUTIONS

Shareholder approval for Resolution 1 (*Brankin Acquisition, Ranfurly Development and their relevant debt and equity raising*) is required under Listing Rules 4.2.1(a), 5.1.1(a), 5.1.1(b), 5.1.1(c) and 5.2.1 and Rule 7(d) of the Takeovers Code and section 129 of the Companies Act.

¹ This table also assumes that no Shares are acquired by PIL under the Minority Buy-out Rights and no allowance is made for the rounding of holdings at allotment.

Shareholder approval for Resolution 2 (*Placements*) is required under Listing Rule 4.2.1(a).

Shareholder approval for Resolution 3 (*Aldwins Option*) is required under Listing Rule 4.2.1(a).

Shareholder approval for Resolutions 4 to 6 (*Share Purchase Plan, Employee Share Scheme and Director Share Scheme*) are required under Listing Rule 4.2.1(a).

Shareholder approval for Resolution 7 (*Directors Remuneration*) is required under Listing Rule 2.11.1.

Shareholder approval for Resolution 8 (*Revocation and Adoption of New Constitution*) is required under section 32 of the Companies Act.

A description of these Listing Rules, Takeovers Code and Companies Act requirements, a description of how those requirements are triggered and any relevant disclosures against these requirements are set out below.

Resolution 1 – Transactions

Listing Rules

Listing Rule 4.2.1(a) – Issue of New Equity Securities

Listing Rule 4.2.1(a) requires shareholders to approve the precise terms and conditions of certain issues of equity securities. Listing Rule 4.2.2(b) provides that, in the present circumstances, the equity security issue must be completed within 12 months of the date that shareholders pass Resolution 1.

Shareholder approval for the issue of the Consideration Shares is required under Listing Rule 4.2.1(a).

The table below sets out the specific disclosures required by Listing Rule 7.8.4 for the equity security issues being authorised in Resolution 1.

Maximum number of Shares to be issued	8,000,000,000 Shares (Consideration Shares)
Purpose of issue	To part fund the Purchase Price under the Transactions.
Issue price	\$0.001 per Share
Party to whom Shares will be issued	Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Trust
Consideration for the issue	\$8 million (being part of the Purchase Price).
Time period for the issue	On Completion
Ranking of Shares to be issued	The Shares to be issued will rank equally in all respects with all other Shares on issue in PIL.

Listing Rule 5.1.1(a) – Change in nature of business

Listing Rule 5.1.1(a) provides that, except with prior approval by an ordinary resolution, or a special resolution if approval by way of special resolution is required under section 129 of the Companies Act², PIL may not enter into any transaction or series of transactions to acquire, sell, exchange, or otherwise dispose of assets of PIL which would change significantly the nature of PIL's business.

The Transactions constitute a 'transaction' under Listing Rule 5.1.1(a) as they would significantly change the nature of PIL's business from developing and marketing health supplements to owning and operating aged care facilities as is described more fully in the Profile.

² PIL is also seeking approval by special resolution for the Transactions as a whole under Resolution 8 in accordance with the Companies Act 1993.

Listing Rule 5.1.1(b) – Disposal or acquisition of assets

Listing Rule 5.1.1(b) provides that, except with the prior approval by an ordinary resolution, or a special resolution if approval by way of special resolution is required under section 129 of the Companies Act, PIL may not enter into any transaction or series of transactions to acquire, sell, exchange, or otherwise dispose of assets of PIL in respect of which the gross value is in excess of 50% of the average market capitalisation of PIL.

The Transactions constitute a 'transaction' under Listing Rule 5.1.1(b). In particular, the Transactions involve PIL acquiring assets having a gross value that exceeds 50% of the average market capitalisation of PIL in that PIL's average market capitalisation at 19 December 2019 (being the date that shareholders were publicly notified of the Transactions through the NZX market) was approximately \$4,304,000 and PIL will acquire the Facilities for a market value of \$31,385,000.

Listing Rule 5.1.1(c) – Requirement for Special Resolution

Listing Rule 5.1.1(c) provides that a special resolution is required to approve transactions under Listing Rules 5.1.1(a) or (b) if approval by special resolution is required under section 129 of the Companies Act. This is required as is discussed below.

Companies Act

Shareholder approval is required under section 129 of the Companies Act 1993 as the Transactions constitute a 'major transaction'. A major transaction is a transaction or related series of transactions that involves acquiring assets, disposing of assets or incurring obligations that together or individually have a gross value which is more than half the market value of a company's assets before the relevant transaction(s).

The current book value of PIL's total assets is \$85,000 (as determined in PIL's annual report as at 31 December 2019).

Resolution 1 seeks shareholder approval by special resolution for the Transactions individually and taken as a whole for the purposes of section 129.

Listing Rule 5.2.1 – Related Party Transaction

Listing Rule 5.2.1 provides that except with the prior approval of an ordinary resolution, PIL may not enter into a 'Material Transaction' with a 'Related Party'. A Material Transaction is a transaction or related series of transactions that involves acquiring or disposing of assets that have an Aggregate Net Value (being the greater of the net tangible asset value or market value) above 10% of the issuers Average Market Capitalisation.

The Transactions proposed by Resolution 1 constitute a 'Material Transaction' because they involve:

- the acquisition of assets, being 100% of the shares on issue in the Brankin Companies from the Brankin Family Trust with a market value of \$31,385,000, which is above 10% of PIL's Average Market Capitalisation;
- the issue of the Consideration Shares to the Brankin Family Trust have a value of \$8,000,000, which is above 10% of PIL's Average Market Capitalisation.
- the Ranfurly Development, the purchase price attributed to the development being \$14,180,000, which is above 10% of PIL's Average Market Capitalisation.

As at 19 December 2019 (being the date that shareholders were publicly notified of the Transactions through the NZX market), PIL had a market capitalisation of approximately \$4,304,000.

The Brankin Family Trust is a 'Related Party' of PIL as it is the holder of a relevant interest in more than 10% of the equity securities in PIL (maintaining a shareholding in PIL of 1,103,804,210 Shares, being 51.3%) and it is an 'Associated Person' of PIL's director, Mr. Thomas Brankin.

The Independent Report accompanying this Notice of Meeting is an Appraisal Report under the Listing Rules and is partly required due to the Transactions constituting a 'Related Party' transaction. The Independent Report gives an opinion on the fairness of the Transactions in Section 3.

Takeovers Code

PIL is a "Code Company" as it is listed on the NZX Main Board and has financial products that confer voting rights, and is subject to the Takeovers Code. The fundamental rule under rule 6 of the Takeovers Code provides that a person (and their associates) who hold or control 20% or more of the voting rights in a Code Company may not become the holder or controller of an increased percentage of the voting rights in the Code Company. An exception to the fundamental rule under rule 7(d) is that a person (and their associates) may become the holder or controller of an increased percentage of the voting rights in a Code Company by an allotment to a person if the allotment has been approved by an ordinary resolution in accordance with the Takeovers Code. Resolution 1 seeks such approval.

The Brankin Family Trust currently holds 51.3% of voting rights in PIL and PIL will issue to the Brankin Family Trust the Consideration Shares, which will result in the Brankin Family Trust holding an increased percentage of voting rights (being a maximum of 62.99% of voting rights in PIL).

The information below corresponds to that as required by Schedule 5 to the Takeovers Code for the share allotments being authorised by Resolution 1 and is based on the maximum theoretical control percentage that the Brankin Family Trust can hold. The date used to determine the particulars set out below is the date of this Notice of Meeting. The assumptions on which the particulars in the following table are calculated are as follows:

- 2,151,797,451 Shares are on issue on the date of this Notice of Meeting;
- There is no change in the total number of Shares on issue from the date of this Notice of Meeting until Completion;
- 8 billion Shares are issued to Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Trust under the Purchase Agreement; and
- 4.3 billion Shares are issued under the Placements at Completion (with bridge financing of \$1.7 million obtained in order to satisfy the \$6 million Placement condition as is more particularly described on page 16).

This percentage will be diluted by the Shares to be issued on and after Completion under the Cassels Subscription, the Aldwins Option, Share Purchase Plan, Employee Share Scheme and Director Share Scheme and the expected maximum control percentage that the Brankin Family Trust will hold based on the share issues described in this Notice of Meeting are exhibited in the table included in the section entitled "Director Recommendation" at the end of this Notice of Meeting.

	Rule 16, Takeovers Code	Compliance Information
(a)	the identity of the allottee and, if different from the allottee, the identity of any person who will become a controller of an increased percentage of voting securities in the code company as a result of the allotment or allotments.	Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Trust
(b)	particulars of the voting securities to be allotted, including: (i) the maximum number that could be allotted; and	8,000,000,000 Shares

	(ii) the percentage of the aggregate of all existing voting securities and all voting securities that could be allotted that that number represents; and	55.36%
	(iii) the maximum percentage of all voting securities that could be held or controlled by the allottee after completion of the allotment; and	62.99%
	(iv) the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates after completion of the allotment.	62.99%
(c)	Not applicable	
(d)	the issue price for the voting securities to be allotted and when it is payable.	\$0.001 per Share, payable (or applied) at Completion.
(e)	the reasons for the allotment	To part fund the Purchase Price.
(f)	a statement to the effect that the allotment, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.	The allotment of the Shares, if approved, will be permitted under rule 7(d) of the Takeovers Code as an exception to rule 6 of the Takeovers Code.
(g)	a statement by the allottee setting out particulars of any agreement or arrangement (whether legally enforceable or not) that has been, or is intended to be, entered into between the allottee and any other person (other than between the allottee and the code company in respect of the matters referred to in paragraphs (a) to (e)) relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in the code company.	<p>Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Trust have agreed to enter into a restricted security deed placing restrictions on any disposal of the Consideration Shares, those restrictions being:</p> <ul style="list-style-type: none"> • 100% of the Consideration Shares (8 billion Shares) within 6 months from Completion; • 75% of the Consideration Shares (6 billion Shares) within 12 months from Completion; • 50% of the Consideration Shares (4 billion Shares) within 18 months from Completion; and • 25% of the Consideration Shares (2 billion Shares) within 24 months from Completion. <p>Other than the above, there is no agreement or arrangement (whether or not legally enforceable) that has been, or is intended to be, entered into between the allottee and any other person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of voting rights in PIL.</p>
(h)	The report from an independent advisor that complies with rule 18	The Independent Report from Simmons Corporate Finance Limited accompanies this Notice of Meeting.

(i)	the statement by the directors of the Code company referred to in rule 19.	The Directors of PIL recommend approval of Resolution 1 for the reasons set out in the section entitled “ <i>Director Recommendation</i> ” at the end of this Notice of Meeting.
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Resolution 2 – Placements

Listing Rule 4.2.1(a) – Issue of New Equity Securities

Listing Rule 4.2.1(a) requires shareholders to approve the precise terms and conditions of certain issues of equity securities. Listing Rule 4.2.2(b) provides that, in the present circumstances, the equity security issue must be completed within 12 months of the date that shareholders pass the relevant Resolution approving the issue of the equity securities

Shareholder approval for the issue of Shares under the Placements is required under Listing Rule 4.2.1(a).

The tables below set out the specific disclosures required by Listing Rule 7.8.4 the equity security issues being authorised in Resolution 2.

Resolution 2 - Shares Issued under the Placements	
Maximum number of Shares to be issued	Up to 8,000,000,000 fully paid Shares
Purpose of issue	To provide cash funding to be applied towards satisfying the Purchase Price and raise further capital for future growth and/ or reduction of debt.
Issue price	\$0.001 per Share
Party to whom Shares will be issued	The Placement Participants and other wholesale investors who are not directors of PIL or their associated persons.
Consideration for the issue	Cash
Time period for the issue	The issue of Shares under the Placement may occur at multiple times. The issue will occur initially at Completion. The issue will otherwise occur within 12 months from the date of the Meeting.
Ranking of Shares to be issued	The Shares to be issued will rank equally in all respects with all other Shares on issue in PIL.

Resolution 3 – Aldwins Option

Listing Rule 4.2.1(a) – Issue of New Equity Securities

Listing Rule 4.2.1(a) requires shareholders to approve the precise terms and conditions of certain issues of equity securities. Listing Rule 4.2.2(b) provides that, in the present circumstances, the equity security issue must be completed within 12 months of the date that shareholders pass Resolution 3.

Shareholder approval for the issue of Shares under the Aldwins Option (**Aldwins Shares**) is required under Listing Rule 4.2.1(a).

The table below sets out the specific disclosures required by Listing Rule 7.8.4 for the equity security issues being authorised in Resolution 3.

Maximum number of Shares to be issued	4,000,000,000 Shares
Purpose of issue	To part fund the Aldwins Purchase Price if the Aldwins Option is exercised.
Issue price	\$0.001 per Share
Party to whom Shares will be issued	Teltower Limited
Consideration for the issue	\$4 million.
Time period for the issue	Within 12 months of the date of this meeting.

Ranking of Shares to be issued	The Shares to be issued will rank equally in all respects with all other Shares on issue in PIL.
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Resolutions 4 to 6 – Approval of Share Issues

Listing Rule 4.2.1(a) – Issue of New Equity Securities

Listing Rule 4.2.1(a) requires shareholders to approve the precise terms and conditions of certain issues of equity securities. Listing Rule 4.2.2(b) provides that, in the present circumstances, the equity security issue must be completed within 12 months of the date that shareholders pass the relevant Resolution approving the issue of the equity securities

Shareholder approval for the issue of Shares under the Share Purchase Plan, the Employee Share Scheme and the Director Share Scheme is required under Listing Rule 4.2.1(a).

The tables below set out the specific disclosures required by Listing Rule 7.8.4 for each of these equity security issues being authorised in Resolutions 4 to 6.

Resolution 4 – Share Issue under Share Purchase Plan	
Maximum number of Shares to be issued	5,000,000,000 Shares
Purpose of issue	To allow PIL's shareholders the opportunity to subscribe for Shares in PIL at the issue price offered under the transactions described in this Notice of Meeting and raise further capital for future growth and/or reduction of debt.
Issue price	\$0.001 per Share
Party to whom Shares will be issued	Any shareholders in PIL as at 5pm on the record date for the Share Purchase Plan, other than Mr Thomas David Brankin or his associated persons.
Consideration for the issue	Cash
Time period for the issue	The issue of Shares will occur within 5 business days of the closing date of the Share Purchase Plan, which in any case will be within 12 months of the date of the Meeting.
Ranking of Shares to be issued	The Shares to be issued will rank equally in all respects with all other Shares on issue in PIL.

Resolution 5 – Share Issue under Employee Share Scheme	
Maximum number of Shares to be issued	1,000,000,000 unpaid Shares
Purpose of issue	To reward Employees for their loyalty and provide a retention incentive.
Issue price	\$0.001 per Share
Party to whom Shares will be issued	Employees (as that term is defined in the Listing Rules)
Consideration for the issue	Cash payable in accordance with the terms of the Employee Share Scheme.
Time period for the issue	The unpaid Shares will be issued within 12 months of the date of the Meeting.
Ranking of Shares to be issued	The Shares to be issued will rank equally in all respects with all other Shares on issue in PIL once fully paid up. Until they are fully paid up the unpaid Shares will only provide the rights of a Share in the proportion that they are paid up.

Resolution 6 – Share Issue under Director Share Scheme	
Maximum number of Shares to be issued	150,000,000 unpaid Shares
Purpose of issue	To reward Mr Underwood for his loyalty and provide a retention incentive.
Issue price	\$0.001 per Share

Party to whom Shares will be issued	Stephen Underwood
Consideration for the issue	Cash payable in accordance with the terms of the Director Share Scheme.
Time period for the issue	The unpaid Shares will be issued on Completion.
Ranking of Shares to be issued	The Shares to be issued will rank equally in all respects with all other Shares on issue in PIL once fully paid up. Until they are fully paid up the unpaid Shares will only provide the rights of a Share in the proportion that they are paid up.

Resolution 7 – Directors’ Fees

Listing Rules 2.11.1 and 2.11.2(b)

Resolution 7 seeks shareholder approval to increase the aggregate maximum amount of fees that can be paid to Directors from \$100,000 to \$200,000 in each financial year and to satisfy any directors’ remuneration, in whole or in part, by way of an issue of equity securities.

Listing Rule 2.11.1 provides that no remuneration shall be paid to directors if it has not been approved by ordinary resolution and Listing Rule 2.11.2 allows any remuneration to be satisfied in equity securities if the resolution for the purposes of Listing Rule 2.11.1 (approving the directors’ remuneration) provides for this. In addition, Listing Rule 2.11.2 also requires any equity securities issued to directors in these circumstances to comply with Listing Rule 4.7, which only allows PIL to issue equity securities to directors if:

- The equity securities are of a class already on issue;
- The issue of equity securities is made after the end of the period or half period to which that remuneration is payable; and
- The issue price of the equity securities is not less than the ‘Average Market Price’ before the issue occurs.

The directors’ remuneration is expressed as a monetary sum per annum payable to all Directors of PIL taken together. If the total number of PIL’s Directors increases, the Directors may, without the authorisation of an ordinary resolution, increase the total remuneration by such amount as is necessary to enable PIL to pay to the additional director remuneration. Resolution 7 also provides that any remuneration a Director is entitled to receive from the director fee pool can be satisfied, in whole and in part, through an issue of Shares in PIL that complies with Listing Rule 4.7.

The new director fee pool will apply from Completion if approved by shareholders.

Resolution 8 – Adoption of New Constitution

Companies Act

PIL proposes to revoke its current constitution and adopt the New Constitution. In accordance with section 32(2) of the Companies Act, the adoption of the New Constitution must be approved by special resolution of shareholders.

Listing Rules

PIL’s solicitors, Duncan Cotterill, have provided an opinion to NZX that they consider the New Constitution complies with the Listing Rules, as required under Listing Rule 2.19.1.

Directors Recommendation – Rule 19 of the Takeovers Code

The Directors of PIL that are not interested in Resolutions 1 and 3, being, Stephen Underwood, Helen Down, and Duncan Priest, recommend that shareholders vote in favour of Resolutions 1 and 3 for the purposes of the Takeovers Code.

The grounds supporting this recommendation are:

1. The Transactions allow PIL to acquire a new business with a strong reputation and reinvent PIL in a new industry;
2. Shareholders of PIL will retain their Shares and have an interest in an established business in the aged care sector with strong growth prospects;
3. Simmons Corporate Finance Limited, as independent adviser, has in section 3 on pages 29 and 30 of the Independent Report opined that the terms of the Transactions are fair and reasonable to shareholders and in the best interests of PIL; and
4. The control percentage that the Brankin Family Trust will hold is expected to be less than the theoretical maximum percentage disclosed, as that percentage will be diluted by the other Share issues occurring after Completion as set out in section 1.5 of the Independent Report.
5. Provides PIL with new business prospects and opportunity for growing shareholder wealth. If the Transactions do not proceed PIL will be insolvent and could be placed in receivership or liquidation which would result in a total loss of shareholder value in PIL.

GLOSSARY

The following terms have the following meanings where used in this Notice of Meeting unless the context otherwise requires:

“**Aldwins Facility**” means the new aged care facility to be established by PIL at Aldwins Property.

“**Aldwins Landlord**” means Teltower Limited (company number 1337170).

“**Aldwins Option**” means a right to purchase the Aldwins Property for the Aldwins Purchase Price and on the terms described on page 14 of this Notice of Meeting.

“**Aldwins Property**” means the land and buildings at 62 Aldwins Road, Christchurch.

“**Aldwins Purchase Price**” means up to \$11,000,000 (plus GST, if any).

“**Aldwins Shares**” means up to 4 billion Shares to be issued to the Aldwins Landlord in part payment of up to \$4,000,000 of the Aldwins Purchase Price.

“**Associate**” has the meaning in the Takeovers Code.

“**Associated Person**” has the meaning in the NZX Listing Rules.

“**Bank Facilities**” means the new banking facilities as described on page 15 of the Explanatory Notes.

“**Board**” means the board of directors of PIL.

“**Brankin Acquisitions**” means PIL’s purchase of 100% of the shares on issue of the Brankin Companies.

“**Brankin Family Trust**” means Thomas David Brankin and Michael John Kirwin Lay as trustees of the Brankin Family Trust.

“**Brankin Companies**” means Nelson Street Resthome Limited (company no. 7859466), Eileen Mary Age Care Property Limited (company no. 1258335), Eileen Mary Age Care Limited (company no. 7833236), Ranfurly Manor Limited (company no. 7833156), Ranfurly Manor No: 1 Limited (company no. 3069267) and Aldwins House Limited (company no. 7832936).

“**Companies Act**” means the Companies Act 1993.

“**Completion**” means completion of the Transactions.

“**Consideration Shares**” means 8 billion Shares to be issued to the Brankin Family Trust as part payment of the Purchase Price at an issue price of \$0.01 per share.

“**Directors**” means the directors of PIL.

“**Director Share Scheme**” means the director share scheme offered to PIL’s Chairman Mr. Stephen Underwood described on page 20 of this Notice of Meeting for which an approval is sought under Resolution 6.

“**Employee Share Scheme**” means the PIL employee share scheme described on page 18 of this Notice of Meeting and for which an approval is sought under Resolution 5.

“**Employees**” has the meaning in the Listing Rules.

“**Existing Companies**” means Eileen Mary Holdings Limited (company no. 1252891), Ranfurly Manor Holdings Limited (company no. 2198757) and Design Care Group Limited (company no. 1482603)

“**Explanatory Notes**” means the explanatory notes that form part of this Notice of Meeting.

“Facilities” means Ranfurly Residential Care Centre, Eileen Residential Care Centre, Nelson Residential Care Centre and if applicable, the Aldwins Facility.

“Independent Report” means the independent adviser’s and independent appraisal report prepared by Simmons Corporate Finance Limited, a copy of which accompanies this Notice of Meeting.

“Listing Rules” means the NZX Listing Rules dated 1 January 2020 and **“Listing Rule”** means a rule contained in the NZX Listing Rules.

“Meeting” means the special meeting of shareholders of PIL to be held on 11 June 2020, starting at 2 pm.

“Minority Buy-out Rights” means a shareholder’s right to require PIL to purchase that shareholder’s Shares in accordance with section 110 of the Companies Act, as discussed in Appendix One.

“New Companies” means Eileen Mary Age Care Limited (company no. 7833236), Ranfurly Manor Limited (company no. 7833156) and Nelson Street Resthome Limited (company no. 7859466).

“New Constitution” means the proposed new constitution of PIL, approval for which is sought in Resolution 8.

“Notice of Meeting” or **“Notice”** means this notice of special meeting, including the Explanatory Notes.

“NZX” means NZX Limited.

“PIL” means Promisia Integrative Limited.

“Placement” means the issue of up to \$8,000,000 of fully paid ordinary shares in PIL at a price of \$0.001 per share to wholesale investors.

“Placement Participants” means the wholesale investors that participate in the Placement as described on page **Error! Bookmark not defined.** of this Notice of Meeting.

“Profile” means the listing profile prepared by PIL in relation to the Transactions and accompanies this Notice of Meeting.

“Proxy Form” means a proxy form in relation to this Notice of Meeting, a personalised copy of which accompanies this Notice of Meeting.

“Purchase Agreement” means an Agreement for Sale and Purchase of Shares between the Brankin Family Trust and PIL where PIL has agreed to purchase 100% of the shares on issue in the Brankin Companies.

“Purchase Price” means \$31,385,000.

“Ranfurly Development” means the development of up to a further 32 new external units and 10 internal units as an expansion of the Ranfurly Residential Care Centre.

“Ranfurly Development Land” means the bare land being purchased by PIL under the Purchase Agreement that adjoins the Ranfurly Residential Care Centre and is the site of the Ranfurly Development.

“Resolutions” means the resolutions set out in this Notice of Meeting.

“Restructure” means a restructure of the ownership of the Facilities on the basis set out on page 13 of the Explanatory Notes.

“Share Purchase Plan” means the proposed share purchase plan offer to be made to shareholders that is described in this Notice of Meeting and for which approval is sought under Resolution 4.

“Shareholder” means a shareholder of PIL.

“Shares” means ordinary shares in PIL.

“Takeovers Code” means the Takeovers Regulations 2000.

“Transactions” means the acquisition of 100% of the shares on issue in the Brankin Companies, entering the Bank Facilities, issuing the Consideration Shares, undertaking the Placements and all ancillary documents or actions thereto.

Appendix One: Minority Buy-out Rights Procedure

If the shareholders of PIL pass the special resolution set out in Resolution 1, a shareholder that has cast all the votes attached to the Shares registered in their name (and having the same beneficial owner) against that special resolution is entitled to require PIL to purchase those Shares in accordance with section 110 of the Companies Act.

To exercise that right, that shareholder must give notice requiring PIL to repurchase those Shares within 10 working days of the passing of the special resolution. The Board of PIL must, within 20 working days of receiving such notice:

- (a) agree to purchase the Shares; or
- (b) arrange for some other person to agree to purchase the Shares; or
- (c) apply to the Court for an order exempting it from purchasing the Shares under section 114 or section 115 of the Companies Act; or
- (d) arrange, before the resolution becomes effective, for the resolution to be rescinded by special resolution in accordance with section 106 of the Companies Act or decide in the appropriate manner not to take the action concerned (as the case may be); and
- (e) give written notice of the Board's decision to the relevant shareholder.

Where the Board agrees to the purchase of the Shares by PIL, it must within five working days of giving notice under (e) above, give written notice of the price to the shareholder that it offers for those Shares. The price must be a fair and reasonable price (as at the close of business on the day before the date that the resolution was passed) and calculated as follows:

- (a) first, the fair and reasonable value of the total Shares in each class to which the Shares belong must be calculated (the **Class Value**);
- (b) secondly, each Class Value must be adjusted to exclude any fluctuation (whether positive or negative) in the Class Value that has occurred (whether before or after the resolution was passed) that was due to, or in expectation of, the event proposed or authorised by the resolution;
- (c) thirdly, a portion of each adjusted Class Value must be allocated to the shareholder in proportion to the number of Shares they hold in the relevant class.

However, a different methodology from that set out above may be used to calculate the fair and reasonable price for the Shares if using the methodology set out above would be clearly unfair to the shareholder or PIL. The written notice to the shareholder must state how (a) to (c) above was calculated or why using this methodology was clearly unfair to PIL or the shareholder.

A shareholder may object to the price offered for the Shares by giving notice of their objection to PIL within 10 working days of receiving notice of the price offered. If the shareholder does not object or accepts the offer, PIL must purchase the Shares at the nominated price no later than 10 working days after the date that the offer is accepted or the date that is 10 working days after the date that notice of the price offered was given to the shareholder. These time periods may be adjusted by agreement between PIL and the shareholder.

If an objection to the price has been received by PIL, the following issues must be submitted to arbitration:

- (a) the fair and reasonable price for the Shares, on the basis set out in section 112(2) and (3) of the Companies Act; and
- (b) the remedies available to the shareholder or PIL in respect of any price for the Shares that differs from that determined by the Board of PIL under section 112 of the Companies Act.

PIL must, within five working days of receiving the objection, pay to the shareholder a provisional price in respect of each Share equal to the price offered by the Board. If the price determined for the Shares by the arbitrator:

- (a) exceeds the provisional price paid, the arbitrator must order PIL to pay the balance owing to the shareholder; or

- (b) is less than the provisional price paid, the arbitrator must order the shareholder to pay the excess to PIL.

Except in exceptional circumstances, the arbitrator must award interest on any balance owing or excess to be paid. If a balance is owing to the shareholder, the arbitrator may award to the shareholder, in addition to or instead of an award of interest, damages for loss attributable to the shortfall in the initial payment. Any sum that must be paid in accordance with the arbitrator's decision must be paid no later than 10 days after the date of the arbitrator's determination, unless the arbitrator specifically orders otherwise.

Where PIL agrees to arrange a third party to purchase the Shares, the provisions set out above apply (subject to such modifications as may be necessary) to that purchase of the Shares. Every shareholder whose Shares are purchased through a third party pursuant to such an arrangement is indemnified by PIL in respect of loss suffered by reason of the failure by the third party who has agreed to purchase the Shares to purchase them at the price nominated or fixed by arbitration, as the case may be.