

12 August 2004

The Manager  
Company Announcement Office  
Australian Stock Exchange Limited



Dear Sir

### NOTICE OF GENERAL MEETING

We wish to advise that a General Meeting for Primelife Corporation Limited will be held at 11:00 am on Wednesday the 15<sup>th</sup> of September 2004 at the ANZ Pavilion, Level 8, The Arts Centre, 100 St Kilda Road, Melbourne Victoria. Attached are;

- Letter to Shareholders.
- Notice of Meeting.
- Explanatory Memorandum.
- Proxy Form.

Yours faithfully  
**Primelife Corporation Limited**

**Greg Flood**  
**Company Secretary**

Primelife Corporation Limited  
ACN 010 622 901  
ABN 16 010 622 901  
210 Kings Way  
South Melbourne  
Victoria 3205 Australia

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[www.primelife.com.au](http://www.primelife.com.au)

12 August 2004



Dear Shareholder

**Primelife Corporation Limited (Primelife) – Rights Offer**

As announced on 6 August 2004, Primelife is to undertake a rights offer to raise \$75,000,000 to be used to repay existing convertible unsecured notes on issue and short term debt, the cost of the rights offer and to finance the restructure and provide working capital in line with Primelife's business plan.

**The Prospectus setting out details of the rights offer was lodged with ASX on 6 August 2004 and is available on the ASX website.**

The rights offer involves:

- (a) a 1 for 1.75 renounceable issue to all shareholders of approximately 35,000,000 rights to new shares at an issue price of \$1.25 per new share and a 1 for 2.79 non-renounceable offer to all eligible shareholders of approximately 21,900,000 rights to new notes at an issue price of \$1.00 per new note; and
- (b) a 1 for 0.04 renounceable issue to all eligible noteholders of approximately 5,000,000 rights to new shares at an issue price of \$1.25 per new share and a 1 for 0.06 non-renounceable offer to all eligible noteholders of approximately 3,100,000 rights to new notes at an issue price of \$1.00 per new note.

The record date for determining entitlements to the rights offer is 19 August 2004.

The share offer is being fully underwritten by Tricom Equities Limited. Tricom Equities will be paid a management fee of 1% and an underwriting commission of 3% of the offer price per share.

The note offer is being fully underwritten by Albany Bay RV Investments Pty Limited (as to 50%) and Babcock & Brown Pty Limited (as to 50%). Robert Champion de Crespigny and Ronald Walker, Primelife directors, control Albany Bay RV Investments Pty Limited. Phillip Green and Robert Topfer, Primelife directors, are directors of Babcock & Brown Pty Limited. Albany Bay RV Investments Pty Limited and Babcock & Brown Pty Limited have agreed to forego any underwriting fees.

The new Primelife shares will be issued on the same terms and conditions as ordinary shares currently on issue. Each new note will be convertible at the option of a Noteholder into ordinary shares on every 30 June and 31 December until the maturity date of 31 January 2008. Each note has a face value of \$1.00 and an effective conversion price of \$1.40 per share. The notes have a 10% per annum interest rate, payable in arrears on each 30 June and 31 December. New Primelife shares and shares issued on conversion of the new notes will rank equally with all shares currently on issue.

Following completion of the rights offer Primelife will have 101,171,054 ordinary shares and 25,000,000 new notes quoted on ASX. In addition Primelife has on issue a further 200,000 convertible notes on issue and quoted on ASX and 8,038,000 options not quoted on ASX.

There will be no change to Primelife's current dividend policy.

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The offer relates to all ordinary shares and notes on issue and all fractional entitlements to rights will be rounded up.

Security holders in Switzerland, China, Channel Islands, United Kingdom, Hong Kong, Korea, Malaysia, Qatar, Singapore, United States of America, Vanuatu and South Africa will not be sent new issue documents.

**Key dates**

Prospectus lodged with ASIC and ASX	6 August 2004
Securities quoted on an “ex” basis	13 August 2004
Record date to determine entitlements under the Offer	19 August 2004
Prospectus and acceptance forms sent to security holders	25 August 2004
Closing date for lodgement of completed acceptance forms	3 September 2004
Issue of new securities and dispatch of new holding statements	13 September 2004
Normal trading of new shares and new options to commence on ASX	14 September 2004

The Prospectus and personalised acceptance forms will be dispatched to security holders by 25 August 2004.

If you wish to participate in Offer, it is essential that you complete and return the acceptance form which will accompany the Prospectus by 3 September 2004. We look forward to your continuing support of the Company.

Yours sincerely



Jim Hazel  
**Managing Director**

# Notice of General Meeting

## Primelife Corporation Limited ABN 16 010 622 901

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Notice is given that a general meeting of Primelife Corporation Limited (**Company**) will be held at the ANZ Pavilion, Level 8, The Arts Centre, 100 St Kilda Road, Melbourne Victoria, on Wednesday 15 September 2004 at 11 a.m.

Terms defined in this notice of general meeting have the meaning given in the accompanying explanatory memorandum.

### 1. Election of Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That the appointment of Phillip H Green as a director of the Company be confirmed.*

### 2. Election of Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That the appointment of Robert N Topfer as a director of the Company be confirmed.*

### 3. Issue of Shares to Multiplex

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*That, the allotment and issue of up to 4,000,000 New Shares at an issue price of \$1.25 per New Share to Multiplex, or as it may direct, on the terms and conditions of the Subscription Agreement and as otherwise described in the attached explanatory memorandum is authorised and approved.*

Without limitation, Listing Rule 7.1 is relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by Multiplex and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

### 4. Ratification of Issue

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That the allotment and issue of 7,150,000 ordinary shares in the capital of the Company at \$2.35 per share on 14 November 2003 be hereby ratified and approved.*

Without limitation, Listing Rule 7.4 is relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by the subscribers for the Company's Shares under the issue referred to in this resolution 4 and any of their Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

## 5. Waterford – Issue of Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That the allotment and issue of:*

- (a) 475,467 Shares to Jennifer Smith;
- (b) 475,467 Shares to Victorian Golf Foundation Pty Ltd
- (c) the number of Shares (rounded up to the nearest full Share) equal to 2,021,500 divided by the Share Price, as defined in the Waterford Agreement, less 475,467 to Jennifer Smith; and
- (d) the number of Shares (rounded up to the nearest full Share) equal to 2,375,000 divided by the Share Price, as defined in the Waterford Agreement, less 475,467 to Victorian Golf Foundation Pty Ltd,

*on the terms and conditions of the Waterford Agreement and as otherwise described in the attached explanatory memorandum is authorized and approved.*

Without limitation, Listing Rule 7.1 is relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by Jennifer Smith and Victorian Golf Foundation Pty Ltd and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, and any of their Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

## 6. Grant of Options to James T Hazel

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That the issue and allotment of 300,000 options to acquire ordinary shares in the Company to James T Hazel on the terms and conditions set out in the attached explanatory memorandum is authorised and approved.*

Without limitation, Listing Rule 10.11 is relevant to this resolution.

Note: The Company will disregard any votes cast on this resolution by James T Hazel and any of his Associates (other than votes cast:

- as proxy in accordance with the directions on the proxy form, for any other member of the Company who is entitled to vote; and
- by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides).

### Other Information

An explanatory memorandum accompanies this notice of meeting.

All shareholders should read the explanatory memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the meeting should consult their financial or legal adviser for assistance.

**Voting by Proxy**

Any shareholder of the Company entitled to attend and vote at this meeting is entitled to appoint not more than 2 proxies to attend and vote instead of that shareholder.

The proxy does not need to be a member of the Company. A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed/attached proxy form.

A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act 2001 in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.

**Entitlement to Vote**

In accordance with section 1074E(2)(g)(i) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all Shares will be taken to be held by the persons who held them as registered shareholders at 7.00 pm (Melbourne time) on 13 September 2004. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

If you have any queries on how to cast your votes then call the Company Secretary on (03) 8699 3309 during business hours.

By order of the Board

A handwritten signature in black ink, appearing to be 'G. Flood', written over a horizontal line.

**Greg Flood**  
**Company Secretary**  
Dated: 12 August 2004

## **Explanatory Memorandum**

### **Primelife Corporation Limited**

**ABN 16 010 622 901**

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#### **Resolution 1 – Election of Director**

Rule 67 of the Constitution requires that Additional Directors appointed since the last General Meeting are required to be re-elected at the next General Meeting. Phillip Green was appointed as a non-executive director of the Company on 26 February 2004 and is eligible for re-election.

Mr Green has been Chief Executive of Babcock & Brown in Australia since 1991 and is currently a member of Babcock & Brown's international management committee. He has global responsibility for Babcock & Brown's real estate activities.

A qualified chartered accountant with extensive expertise in taxation, he has been involved in syndicating, structuring and advising on major domestic and international financing opportunities. Mr Green is currently Chairman of Environmental Infrastructure Limited, Chairman of the responsible entity of the MTM Entertainment Trust, a director of Abacus Property Group, a director of Thakral Holdings Limited and a non-executive director of Prime Infrastructure Management Limited.

Mr Green holds a Bachelor of Commerce and Law from the University of New South Wales.

#### **Resolution 2 – Election of Director**

Rule 67 of the Constitution requires that Additional Directors appointed since the last General Meeting are required to be re-elected at the next General Meeting. Robert Topfer was appointed as a non-executive director of the Company on 16 December 2003 and is eligible for re-election.

Mr Topfer, BA, LLB has over 20 years of specialist structured and corporate finance experience across many industry sectors. Mr Topfer was a founding partner of Atanaskovic Hartnell and previously a partner of Allen Allen and Hemsley. Mr Topfer joined Babcock & Brown as a director in the corporate finance group in 2000. Mr Topfer is also a director of Commander Communications Limited, BRG Group Limited and MTM Funds Management Limited.

#### **Resolution 3 – Issue of Shares to Multiplex**

By agreement dated 5 August 2004 the Company has agreed to issue to Multiplex 4,000,000 Shares at an issue price of \$1.25 per Share to raise \$5,000,000. The Share issue is conditional on:

- (a) receipt of Shareholder approval at the issue;
- (b) completion of due diligence by Multiplex to its satisfaction and rectification of any issues it has identified to its satisfaction;
- (c) the Company raising \$75,000,000 pursuant to the Offers; and
- (d) entry into a joint venture agreement between the Company, Babcock & Brown and Multiplex relating to the development and operation of retirement villages.

The Shares to be issued to Multiplex will rank equally with all Shares on issue.

The Shares will be issued no later than 3 months after the date of the general meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the Shares will be issued on one date. The issue price per Share is \$1.25.

The funds raised from the issue of Shares will be used in conjunction with the funds to be raised by the Offers for, among other things, working capital purposes.

Listing Rule 7.1 restrains the Company from issuing or agreeing to issue equity securities or options to acquire equity securities without Shareholder approval if the number of equity securities and options to acquire equity securities would, together with all issues undertaken in the last 12 months without Shareholder approval or pursuant to an exception to Listing Rule 7.1, exceed 15% of the number of equity securities then on issue.

Without limitation, resolution 3 authorises the Company to issue the New Shares for the purposes of Listing Rule 7.1.

#### **Resolution 4 – Ratification of Issue**

On 14 November 2003 the Company issued 7,150,000 ordinary shares at \$2.35 per share to 14 institutional investors. The funds were raised for the purpose of accelerating the Company's development programme and to repay debt. The issue was made without Shareholder approval.

Listing Rule 7.1 restrains the Company from issuing or agreeing to issue equity securities or options to acquire equity securities without Shareholder approval if the number of equity securities and options to acquire equity securities would, together with all issues undertaken in the last 12 months without Shareholder approval or pursuant to an exception to Listing Rule 7.1, exceed 15% of the number of equity securities then on issue.

An issue made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and is subsequently approved by shareholders. Resolution 4 effectively refreshes the capacity of the Company to issue up to a further 15% of its capital without Shareholder approval.

#### **Resolution 5 - Waterford**

As part of the Company's focus on the long term ownership and management of quality retirement villages and aged care facilities it has reached agreement with its joint venture partner to unwind the Waterford Valley joint venture at Rowville. This agreement allows the Company to divest itself of interests in golf course, hotel and condominium assets which do not fit with its core objectives and to concentrate on owning and operating retirement village assets.

Under a heads of agreement with Southern Pacific Leisure Corporation (Knox) Pty Limited (**SPLCK**), among others, dated 1 July 2004 (**Waterford Agreement**) the Company has, conditional on Shareholder approval, agreed to make the following issues of shares at SPLCK's direction:

- (a) 475,467 Shares to Jennifer Smith;
- (b) 475,467 Shares to Victorian Golf Foundation Pty Limited
- (c) the number of Shares (rounded up to the nearest full Share) equal to 2,021,500 divided by the Share Price, as defined below, less 475,467 to Jennifer Smith; and
- (d) the number of Shares (rounded up to the nearest full Share) equal to 2,375,000 divided by the Share Price, as defined below, less 475,467 to Victorian Golf Foundation Pty Limited.

"Share Price" means the price per share equal to the higher of \$1.20 or the VWAP. "VWAP" means the volume weighted average price of shares in the Company in the last 5 trading days prior to the issue of the Shares.

The Waterford Agreement sets out the terms by which the Company and SPLCK have agreed to unwind the Waterford Valley joint venture. The issue of Shares is part of the consideration being paid by the Company to take ownership of all assets and be entitled to all future profits in relation to existing and proposed retirement villages at the Company's development at Waterford Valley, Rowville.

The allottees of the Shares are Jennifer Smith and Victorian Golf Foundation Pty Ltd in equal proportions. The Shares will be issued no later than 3 months after the date of the general meeting.

Listing Rule 7.1 restrains the Company from issuing or agreeing to issue equity securities or options to acquire equity securities without Shareholder approval if the number of equity securities and options to acquire equity securities would, together with all issues undertaken in the last 12 months without Shareholder approval or pursuant to an exception to the Listing Rule 7.1, exceed 15% of the number of equity securities then on issue.

Without limitation, resolution 5 authorises the Company to issue the shares for the purposes of Listing Rule 7.1.



## Resolution 6 – Issue of Options to Managing Director

The Company has appointed Jim Hazel as Managing Director and Chief Executive Officer reporting to the Board by way of an executive service agreement. The executive service agreement, dated 3 August 2004, has an initial term of 5 years commencing on 23 March 2004 (**Term**). After the fourth anniversary of commencement, the Board and Mr Hazel will discuss further terms of employment.

The initial remuneration package payable to Jim Hazel is \$800,000 for the first year, \$600,000 for the second and third years and an amount to be agreed between Jim Hazel and the Board in respect of the fourth and fifth years. The remuneration package includes mandatory superannuation contributions.

The Company will grant Jim Hazel 5 tranches of 300,000 options subject to the Listing Rules. The first tranche will be issued on receipt of Shareholder approval and thereafter 300,000 options on each anniversary of 23 March 2004. The exercise price of the first tranche will be \$1.25 per option and the exercise price per option in each subsequent tranche will be 10% higher than the exercise price of options in the preceding tranche. Each tranche of options will lapse 5 years after the date of issue. An option may be exercised at any time on or before the fifth anniversary of its issue date.

If the Company is subject of a takeover bid (for which at least half of the shareholders have accepted) the Company must, subject to the Listing Rules, issue to Mr Hazel 1,500,000 less the number of options issued on or before the date of the takeover (**Takeover Date**) within 3 business days of the Takeover Date. The exercise price of those options will range between \$1.25 and \$1.83 per option depending on the period in which the Takeover Date occurs.

In addition, Mr Hazel will be eligible to receive two incentive benefits, the first being up to \$200,000 in each of the second and third years of the Term and in respect of the fourth and fifth years, a maximum amount as may be agreed between the Board and Mr Hazel. The second incentive benefit will comprise, in the second year, half of the first incentive benefit determined for that year and in each of years 3 to 5, an amount equal to the first incentive benefit determined for that year.

Mr Hazel will only be entitled to the first incentive benefit in respect of any of years 2 to 5 if all the criteria determined by the Board and Mr Hazel (including achievement of any key performance indicators) for award of the first incentive benefit have, in the Board's reasonably held opinion, been met and Mr Hazel has been employed for that entire year.

The payment of any incentive benefit will be satisfied by the issue of Shares, issued at the lower of the market price of the Shares or the exercise price of the options granted to Mr Hazel for that period. The number of Shares to be issued will be determined by Mr Hazel, subject to the maximum number of Shares that may be issued being the pre-tax value of the incentive benefit divided by the relevant issue price and the minimum number of Shares that may be issued being the post-tax value of the incentive benefit divided by the relevant issue price.

Any Shares to be issued will be subject to an escrow restriction from the date of issue to the earlier of the date on which PL Retirement Holdings Pty Limited and Albany Bay RV Investments Pty Limited ceases to hold any Shares and the date of termination of the executive service agreement.

Jim Hazel has agreed to be bound by a 24 month restraint of trade in relation to any business activity which is the same, similar to or in competition to the Company's business after termination of the executive service agreement.

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company.

The Company proposes to issue options to acquire Shares to James Hazel, the Managing Director and a related party of the Company, pursuant to the terms of the executive contract with Mr Hazel.

Accordingly, the Company is seeking approval for the issue of options under Listing Rule 10.11. Approval pursuant to Listing Rule 7.1 is not required in order to issue the options to Mr Hazel as approval is being obtained under Listing Rule 10.11. Shareholders should note that the issue of options to Mr Hazel will not be included in the Company's capacity to issue up to 15% of its capital in a 12 month period for the purposes of Listing Rule 7.1.

The number of options to be issued by the Company to Mr Hazel is 300,000. The terms of the options are set out in the Appendix to this explanatory memorandum.

The options will be issued for no consideration and will be issued no later than 1 month after the date of the general meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the options will be issued on one date.

## Definitions

**Additional Directors** means directors appointed by the Board either to fill a casual vacancy or as an addition to the Board.

**Babcock & Brown** means Babcock & Brown Pty Ltd (ACN 002 332 345) or one of its Subsidiaries.

**Board** means the board of directors of the Company.

**Company or Primelife** means Primelife Corporation Limited (ABN 16 010 622 901).

**Corporations Act** means Corporations Act 2001 (Cth).

**Multiplex** means Multiplex Limited (ABN 96 008 687 063) or one of its Subsidiaries.

**New Note** means an unsecured convertible note to be issued by the Company on the terms as the Notes set out in the Prospectus.

**Prospectus** means the prospectus dated 6 August 2004 and lodged by the Company with the Australian Securities and Investments Commission for the issue of up to 25,000,000 New Notes and 40,000,000 Shares.

**Share** means an ordinary share in the capital of the Company.

**Subscription Agreement** means the agreement dated 5 August 2004 between the Company and Multiplex, pursuant to which Multiplex agrees to subscribe for up to 4,000,000 New Shares at \$1.25 per New Share.

**Subsidiary** has the same meaning as in the Corporations Act.

**Waterford Agreement** means the heads of agreement between the Company and Southern Pacific Leisure Corporation (Knox) Pty Limited, among others, dated 1 July 2004.

## Appendix

### Option Terms

#### 1. Entitlement

Each option entitles the optionholder to apply for and be issued 1 fully paid ordinary share of Primelife Corporation Limited ACN 010 622 901 (**Company**).

#### 2. Issue price

No amount is payable on issue of the options.

#### 3. Exercise price

The exercise price of each option is the Exercise Price for that Option calculated in accordance with the agreement to which these option terms are a schedule (see disclosure in explanatory memorandum above for details). (**Exercise Price**).

#### 4. Option period

Each option may be exercised at any time on or before the fifth anniversary of the date of its issue. An option not exercised, automatically expires after that time.

#### 5. Certificate

The Company must give the optionholder a certificate or holding statement stating:

- (a) the number of options issued to the optionholder;
- (b) the Exercise Price; and
- (c) the date of issue of the options (**Issue Date**).

#### 6. Participation rights, bonus issues, rights issues and reorganisations

##### 6.1 Participation

An optionholder is not entitled to participate in any new issue to existing shareholders of securities in the Company unless they have exercised their options before the record date for determining entitlements to the new issue of securities and participate as a result of holding shares.

##### 6.2 Notice of new issue

The Company must give an optionholder, in accordance with the ASX Listing Rules, notice of:

- (a) the proposed terms of the issue or offer proposed under condition 6.1; and
- (b) the right to exercise their options under condition 6.1.

##### 6.3 Bonus issues

If the Company makes a bonus issue of shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no share has been issued in respect of the option before the record date for determining entitlements to the issue, then the number of underlying shares over which the option is exercisable is increased by the number of shares which the optionholder would have received if the optionholder had exercised the option before the record date for determining entitlements to the issue.

#### 6.4 Pro rata issues

If the Company makes a pro rata issue of shares (except a bonus issue) to existing shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no share has been issued in respect of the option before the record date for determining entitlements to the issue, the exercise price of each option is reduced in accordance with ASX Listing Rule 6.22.

#### 6.5 Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the optionholder (including the number of options to which each optionholder is entitled to and the exercise price) is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

#### 6.6 Calculations and adjustments

Any calculations or adjustments which are required to be made under condition 6 will be made by the Board of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the optionholder.

#### 6.7 Notice of change

The Company must within a reasonable period give to each optionholder notice of any change under condition 6 to the exercise price of any options held by an optionholder or the number of shares which the optionholder is entitled to subscribe for on exercise of an option.

### 7. Method of exercise of options

#### 7.1 Method and payment

To exercise options, the optionholder must give the Company or its share registry, at the same time:

- (a) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of options being exercised and shares to be issued (**Option Exercise Notice**);
- (b) payment of the exercise price for the shares the subject of the Option Exercise Notice by way of bank cheque or by other means of payment approved by the Company; and
- (c) the certificate for the options.

#### 7.2 Option certificates

If the optionholder exercises less than the total number of options issued on the Issue Date, exercisable at the Issue Price and registered in the optionholder's name (**Relevant Options**):

- (a) the optionholder must surrender their option certificate (if any) in relation to the Relevant Options; and
- (b) the Company must cancel the option certificate (if any) and issue the optionholder a new option certificate or holding statement stating the remaining number of Relevant Options held by the optionholder.

#### 7.3 Issue of shares

Within 10 days after receiving an Option Exercise Notice and payment by an optionholder of the relevant exercise price, the Company must issue the optionholder the number of fully paid ordinary shares in the capital of the Company specified in the application.

**8. Ranking of shares issued on exercise of options**

Subject to the Company's constitution, all shares issued on the exercise of options rank in all respects (including rights relating to dividends) pari passu with the existing ordinary shares of the Company at the date of issue.

**9. Quotation**

The Company will not apply to Australian Stock Exchange Limited for official quotation of the options. If the Company is listed on Australian Stock Exchange Limited, the Company will use reasonable endeavours to apply to have the shares issued on the exercise of options listed for quotation on Australian Stock Exchange Limited, but does not represent or warrant that such shares will be so listed.

**10. Governing law**

These terms and the rights and obligations of optionholders are governed by the laws of Victoria. Each optionholder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria.



**APPOINTMENT OF PROXY**

If you propose to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of Primelife Corporation Limited and entitled to attend and vote hereby appoint

**A** the Chairman of the Meeting (mark box)  OR Write here the name of the person (excluding the registered securityholder) you are appointing if this person/body corporate is someone other than the Chairman of the Meeting

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Company to be held at 11.00am Wednesday 15 September 2004 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received in the Registrar's office no later than 48 hours before the meeting.

**IMPORTANT: FOR ITEMS 3, 4, 5 & 6 BELOW**  
If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Items 3, 4, 5 & 6 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 3, 4, 5 & 6 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 3, 4, 5 & 6.

Should you desire to direct your proxy how to vote on any resolution please insert  in the appropriate box below.

Ordinary Business	For	Against	Abstain*	Special Business	For	Against	Abstain*
Election of Directors							
1. Mr Phillip H. Green	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Issue of Shares to Multiplex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Mr Robert N. Topfer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Ratification of Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				5. Waterford - Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				6. Grant of Options to James T. Hazel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.  
\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**B SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED**

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwlth).

ASX Perpetual Registrars Limited advises that Chapter 2C of the Corporations Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder. These statutory obligations are not altered by the Privacy Amendment (Private Sector) Act 2000. Information is collected to administer your security holding and if some or all of the information is not collected then it might not be possible to administer your security holding. Our privacy policy is available on our website (www.asxperpetual.com.au).