

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY NOTES

AEVUM LIMITED ABN 80 087 648 691

Date: 23 October 2009

Time: 12.00 Noon

Place: The Sofitel Sydney Wentworth

61-101 Phillip Street

Sydney NSW 2000



Retirement Living & Aged Care

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (Meeting) of Shareholders of Aevum Limited (Company) will be held at the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney NSW 2000 on Friday 23 October at 12.00 Noon.

Business

1. Financial Statements and Reports

To receive and consider the financial report and the reports of the directors and the auditor in respect of the year ended 30 June 2009.

2. Election of Garry Cameron

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

“That Garry Cameron, a Director ceasing to hold office under clause 56.2 of the constitution of the Company, having offered himself for election and being eligible, is re-appointed as a Director of the Company.”

3. Re-election of Melanie Willis

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

“That Melanie Willis, a Director retiring in accordance with clause 58.1 of the constitution of the Company, and having offered herself for re-election and being eligible, is re-elected as a Director of the Company.”

4. Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following as an advisory resolution of the Company:

“That, the Company’s Remuneration Report for the financial year ended 30 June 2009 (set out in the Directors Report) be adopted.”

5. Managing Director’s Entitlements

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

“That for all purposes under the Corporations Act 2001 (Cth) (Corporations Act) and the Listing Rules of the Australian Securities Exchange (ASX Listing Rules), including (as applicable) for the purposes of ASX Listing Rule 10.11 and section 200B of the Corporations Act, approval be given to:

- a. the issue of 175,000 zero exercise price options to Steven Mann in accordance with the terms of the executive service agreement (Service Agreement) between the Company and Steven Mann (ZEPOs) and the issue of fully-paid ordinary shares in the Company to Steven Mann on the exercise of some or all of the ZEPOs; an
- b. the provision of benefits under the terms of the Service Agreement in connection with Steven Mann ceasing to hold a board or managerial office in the Company,

each on the terms and conditions as more particularly described in the Explanatory Notes to this Notice of Meeting.” If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The other details required by the ASX Listing Rules to be disclosed in relation to Resolution 5 are contained in the Explanatory Notes that accompany this Notice of Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Continued

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 5 (Managing Director's Entitlements) by Steven Mann and any of his associates.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Peter Homan

Company Secretary
Date: 1 September 2009

QUESTIONS FROM SHAREHOLDERS

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders, as a whole, to ask questions or make comments relating to matters relevant to the business of the Meeting, including matters arising from the Financial Report, Directors' Report (including the Remuneration Report) and general questions regarding the performance, business or management of the Company.

Shareholders may also submit a written question to Ernst & Young (via the Company) if the question is relevant to:

- The content of Ernst & Young's audit report; or
- The conduct of its audit of the Company's annual financial report for the year ended 30 June 2009.

Written questions for Ernst & Young must be received no later than Friday, 16 October 2009. A list of those relevant written questions will be made available to shareholders attending the Meeting. If written answers are tabled at the Meeting, they will be made available to shareholders as soon as practicable after the Meeting.

Please send any relevant questions for Ernst & Young:

- To Link Market Services Limited at the mailing address or fax number shown on the proxy form accompanying this Notice of Meeting; or
- To the Company at our registered office, Level 6, 23-25 O'Connell Street, Sydney, NSW 2000, marked for the attention of the Company Secretary,

to be received by no later than Friday, 16 October 2009.

EXPLANATORY NOTES

This Explanatory Note has been prepared for the information of Shareholders of the Company (Shareholders) in relation to the business to be conducted at the Company's 2009 Annual General Meeting.

The purpose of this Explanatory Note is to provide Shareholders with information that is reasonably required by Shareholders to decide whether to attend the Meeting and how to vote on the resolutions. The Directors recommend that Shareholders read this Explanatory Note before determining whether to support the resolutions.

All of the Resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution.

1. Financial Statements and Reports

As required by the Corporations Act, the 2009 Financial Report of the Company, (which includes the Financial Statements, the Director's Report and the Auditors Report) will be presented to the Meeting.

The 2009 Annual Report has been made available online at www.aevum.com.au. Any relevant announcements made by the Company after the date of the financial statements and reports are also available on the Company's website.

There is no requirement either in the Corporations Act or the Company's constitution for Shareholders to approve the Financial Report, the Directors' Report or the Auditors Report. However, Shareholders will be given a reasonable opportunity to ask questions about, and make comment on, the reports and the Company's management, business operations, financial performance and business strategies.

Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Ernst & Young, questions relevant to:

- The conduct of the Audit
- The presentation and content of the Auditor's Report;
- The accounting policies adopted by the Company in relation to the preparation of the Financial Statements; and
- The independence of the auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Auditor's Report or the conduct of the audit.

A list of written questions, if any, submitted by Shareholders will be made available at the start of the Meeting and any written answers tabled by the auditor at the Meeting will be made available as soon as practical after the Meeting.

To submit a written question to the auditor regarding the content of the Auditors Report or the conduct of the audit, please do so in accordance with the instructions on page 3 under the heading Questions from Shareholders. Please note that all written questions must be received by Friday 16 October 2009.

2. The Election of Garry Cameron

Garry Cameron was appointed as a Director on 28 August 2009 and is retiring in accordance with clause 56.2 of the constitution of the Company. He is eligible to be re-appointed as a Director of the Company and intends to offer himself for election at the Meeting.

Garry has been a Director of the Richmond Tigers since 1999 and is also a Director of ANZ Specialist Asset Management Ltd and ANZ Business Equity Fund Ltd. He was previously Managing Director and Chief Executive Officer of The Grand Hotel Group Ltd.

EXPLANATORY NOTES Continued

The Directors, with Garry Cameron abstaining, unanimously recommend that the Shareholders vote in favour of this Resolution.

3. Re-election of Melanie Willis

Melanie Willis is a Director who is retiring in accordance with clause 58.1 of the Constitution of the Company and intends to offer herself for re-election at the Meeting.

Melanie became a Director on 1 August 2006 and has over 16 years of investment banking experience. Previous roles include Director Investment Banking with Deutsche Bank, Senior Vice President with BT Alex Brown and Manager Structured Finance with Westpac Corporate Finance. Melanie is a Director WHK Group Limited (ASX: WHG) and was previously a Director of Hydro Tasmania, a Government Business Enterprise owned by the state of Tasmania.

The Directors, with Melanie Willis abstaining, unanimously recommend that the Shareholders vote in favour of this Resolution.

4. Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires that Shareholders vote on an advisory resolution that the Remuneration Report be adopted.

The Remuneration Report forms part of the Directors' Report. The Remuneration Report discusses matters including (but not limited to):

- Board policy for determining the nature and level of remuneration of Directors and Executives of the Company;
- The relationship between the policy and the Company's performance over the five financial years up to and including 2009; and
- Details of performance conditions applicable to the remuneration of Directors and Executives of the Company.

Shareholders will be asked to vote on a resolution to adopt the Remuneration Report at the Meeting. The Shareholder vote is advisory only and does not bind the Directors of the Company. However, the Directors will take the outcome of the vote into consideration when considering the remuneration policy for Directors and Executives in the future.

During the discussion of this item, Shareholders will be provided with a reasonable opportunity to ask questions about, and comment on, the Remuneration Report.

The Director's unanimously recommend that the Shareholders vote in favour of adopting the Remuneration Report.

5. Managing Director's Entitlements

Steven Mann commenced as Managing Director of the Company on 13 October 2008.

Under the executive service agreement entered into between the Company and Steven Mann (Service Agreement), Steven's remuneration package comprises the following elements:

- an annual remuneration package (consisting of base salary, superannuation contributions, motor vehicle benefits and fringe benefits) of \$500,000 per annum reviewed annually on 1 July;
- an annual short term incentive payable in cash (STI); and
- a long term incentive (as detailed below) comprising the grant of a maximum of \$350,000 worth of options in accordance with the terms of the Service Agreement (LTI) (ZEPOs).

EXPLANATORY NOTES Continued

ASX Listing Rule 10.11 requires Shareholder approval to issue equity securities to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

On the exercise of the ZEPOs by Steven Mann, ordinary shares in the Company may be allocated to Steven through an on market acquisition on behalf of Steven or through the issue of new ordinary shares. Under Resolution 5, shareholders are being asked to approve the equity component of Steven Mann's remuneration package.

Shareholders are also being asked to approve for the purposes of section 200B of the Corporations Act, the provision of benefits in connection with Steven Mann's ceasing to hold a board or managerial office on termination under the terms of the Service Agreement (as described below). Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with their ceasing to hold a board or managerial office in the company or a related body corporate if it is approved by shareholders or an exemption applies.

2009 ZEPOs

The number of 2009 ZEPOs to be offered has been determined by the Board having regard to Steven Mann's performance against key performance indicators for the 2008/2009 financial year, being indicators related to non-financial targets for business operations, stakeholder management and leadership.

The number of 2009 ZEPOs to be offered is calculated by dividing \$280,000 by \$1.60, being the share price at the close of trade on the ASX as at 29 September 2008 (the date that Steven Mann signed the Service Agreement).

The Company proposes, within ten business days of the date of shareholder approval, or in any event no later than one month after the date of shareholder approval, to issue 175,000 ZEPOs to Steven Mann for no monetary consideration (2009 ZEPOs).

One third of the 2009 ZEPOs will vest on each vesting date as follows:

- one third on 30 November 2009;
- one third on 30 November 2010; and
- one third on 30 November 2011.

If at any time Steven Mann resigns or his employment is terminated by the Company because of poor performance or for cause, all 2009 ZEPOs (whether vested or unvested) will immediately lapse on the date Steven Mann ceases to be employed by the Company (**Termination Date**).

However, if the Company terminates Steven Mann's employment (other than for cause or poor performance), all the 2009 ZEPOs will vest on the Termination Date and will be exercisable by Steven Mann for a period of three months commencing on and from the Termination Date (and, if unexercised, will lapse upon the expiry of that period).

All 2009 ZEPOs will lapse if they have not been exercised within six months after the relevant vesting date.

Subject to vesting and exercise, each 2009 ZEPO will entitle Steven Mann to acquire one fully paid share in the Company.

There is no monetary consideration payable on the grant or exercise of the 2009 ZEPOs.

EXPLANATORY NOTES Continued

Other terms of the grant of the 2009 ZEPOs must be consistent with the terms applying to ZEPOs under the Aevum Employee Incentive Scheme as well as the applicable requirements of the ASX Listing Rules. Accordingly, the 2009 ZEPOs are granted on the following terms:

- if there is a reorganisation of the capital of the Company, then the rights of Steven Mann will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- Steven Mann is not entitled as a holder of 2009 ZEPOs to participate in any new issue to existing shareholders of securities in the Company unless:
 - he has become entitled to exercise his 2009 ZEPOs; and
 - he exercises those 2009 ZEPOs before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of shares.

The Company must give Steven Mann, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue;

- if there is a bonus issue (other than an issue in lieu or satisfaction of dividends by way of dividend reinvestment), the number of 2009 ZEPOs to which Steven Mann is entitled will be adjusted as if Steven Mann had exercised those 2009 ZEPOs before the record date for the issue; and
- if the shares in the Company are divided into a greater number of shares or consolidated into a lesser number of shares, or are subject to a similar reconstruction, then the number of 2009 ZEPOs to which Steven Mann is entitled will be adjusted as if Steven Mann had exercised those 2009 ZEPOs before the reconstruction.

Termination rights and entitlements

Steven Mann may resign by giving six months' written notice to the Company. In addition, if Steven resigns:

- after the completion of a financial year but before the date of payment of any STI, Steven will be eligible to receive an STI determined by the Board for the previous financial year and any unvested 2009 ZEPOs will immediately lapse on the Termination Date;
- during a financial year he is not entitled to any payment of any STI in respect of that financial year.

If Steven Mann's employment is terminated by the Company for cause or due to poor performance, Steven Mann will have no entitlement to any payment or benefits under any STI or LTI arrangements. In this situation, any unvested 2009 ZEPOs will immediately lapse on the Termination Date.

If the Company terminates Steven Mann's employment (other than for cause or poor performance):

- Steven Mann may be entitled to a payment in respect of an STI for the period to the Termination Date, calculated as a proportional amount having regard to the period of time Steven Mann works in the relevant financial year and as determined by the Board; and
- any 2009 ZEPOs granted will vest on the Termination Date and will be exercisable by Steven Mann for a period of three months commencing on and from the Termination Date (and, if unexercised, will lapse upon the expiry of that period).

EXPLANATORY NOTES Continued

In addition, the Company may elect to make a payment to Steven Mann in lieu of notice.

These termination payments may constitute the giving of a benefit to Steven Mann by the Company in connection with him ceasing to hold a board or managerial office (within the meaning of section 200B of the Corporations Act).

Board comments

Steven Mann's remuneration package has been designed by the Board to achieve retention and provide performance based incentives which align the interests of Steven with those of shareholders in order to increase company performance.

The Board has examined carefully the totality of Steven Mann's remuneration package. The Board has concluded that the totality of Steven's remuneration package, including the 2009 ZEPOs, is fair and reasonable in the circumstances of the Company, in light of Steven's experience and knowledge of the retirement village industry.

The directors, other than Steven Mann, unanimously recommend that the Shareholders vote in favour of this Resolution.

FURTHER INFORMATION

If you need further information

Call Peter Homan on 02 8223 0900

Or visit our website at <http://www.aevum.com.au>

Definitions

AEST means Australian Eastern Standard Time

Aevum or Company means Aevum Limited

(ABN 80 087 648 691)

Corporations Act means the Corporation Act 2001 (Cth)

Meeting means Annual General Meeting

You or Shareholder means a holder of shares in the Company

Interpretation

In the Explanatory Notes, unless the context otherwise requires:

- Headings are for convenience only and do not affect interpretation;
- The singular includes the plural, and vice versa; words importing one gender include other genders;
- Where a word or phrase is defined, other grammatical forms have a corresponding meaning;
- A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation (as the case may be) jointly and severally;
- A reference to currency is to Australian dollars; and
- A reference to time is to Australian Eastern Standard Time (AEST).

NOTES

AEVUM LIMITED
Level 6, 23-25 O'Connell Street
Sydney NSW 2001

