over Fifty group

30 September 2009

Dear Shareholder

I am pleased to invite you to the 2009 Annual General Meeting (AGM) of Over Fifty Group Limited (OFG) to be held at 11.00 am on Thursday 29 October 2009 at:

CQ Functions
Level 1, 113 Queen Street
Melbourne, VIC 3000 (between Little Collins and Bourke Streets)

Registration will commence at 10.00 am. To assist with registration formalities, please bring the enclosed proxy form with you to the AGM. Light refreshments will be served following the meeting.

In addition, the Annual General Meeting will be broadcast by video-link to the Sydney offices of the Over Fifty Group at:

Level 23, 111 Pacific Highway
North Sydney NSW 2060

Shareholders attending the Sydney office will not be able to direct questions to the floor or vote at the meeting. It is important that you exercise your right to vote and you are welcome to do so using the normal proxy form enclosed.

The following documents are enclosed with this letter:

- Notice of Meeting;
- Explanatory Memorandum;
- Member's Questions and Comments form; and
- Appointment of Proxy form.

Those of you who elect to receive a copy of the Annual Report mailed to them will also find the 2009 report enclosed. The "stand alone corporate performance" section on page 10 of the report is most useful in that it breaks out the financial performance of Over Fifty Group Limited as a stand-alone corporation. Accounting standards require the statutory accounts to consolidate the OFG corporate financial results with the Friendly Society financial results, this produces unnecessary confusion and we have attached an excerpt of page 10 for those shareholders who do not elect to receive a copy of the Annual Report.

Please note that the Annual Report is posted on the company website www.overfifty.com.au under "Company Reports". If you wish to register to receive a hard copy of the annual report please contact the share registry on 1800 11 29 29 and they will arrange to send the 2009 report to you as well as future reports.

I encourage you to review the Explanatory Memorandum and to vote at the meeting. If you have questions you would like directed to either the Auditor or myself at the AGM, you may also send your questions on the enclosed form.

Voting by Proxy

If you are unable to attend in person, you may nominate a proxy to vote on your behalf at the meeting by completing the Appointment of Proxy form and returning it in the enclosed reply paid envelope. You may also send the proxy form by fax to (02) 9287 0309 or online by visiting www.linkmarketservices.com.au. The form must reach our share registry, Link Market Services, by 11.00 am on Tuesday 27 October 2009.

If you wish, you may nominate the Chairman of the meeting to be your proxy. You may indicate whether you require your proxy to vote for or against or to abstain from voting in relation to each resolution, or you may leave that decision to your proxy after considering discussion at the meeting.

If you appoint the Chairman of the meeting as your proxy, and do not instruct the Chairman how to vote, the Chairman will vote in favour of each of the resolutions.

I thank you for your support of Over Fifty Group and look forward to seeing as many of you as possible at the meeting.

Yours sincerely

Roger Dobson
Chairman
encl

Over Fifty Group Limited
ABN 22 095 454 336

Level 30, 367 Collins Street Melbourne Victoria 3000
Postal c/- Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235
1800 112 929 (Toll Free) Telephone (02) 8280 7451 Facsimile (02) 9287 0303 www.overfifty.com.au

STAND ALONE CORPORATE PERFORMANCE

Financial results

In accordance with current Australian accounting standards, the audited financial results, including Income Statement, Balance Sheet and Cash Flow Statement, of the Over Fifty Friendly Society benefit funds are included in the consolidated results of the corporate entities of the Over Fifty Group Limited. The following table provides an analysis of the Consolidated OFG Profit and Loss attributable to shareholders, with the results of the benefit funds stripped out.

The table demonstrates the strength of the group's underlying Net Profit After Tax ("NPAT") during the last two financial periods via the spread of strong recurring income streams from the Friendly Society, Reverse Mortgages and the other smaller divisions. The achievement is particularly important given that Property Funds Management had its first recorded trading loss in the ten year history of the division.

Shareholders can receive the more detailed results presentation by calling the registry on freecall 1800 11 29 29 or visiting the company website www.overfifty.com.au.

Stand Alone Corporate Performance *(Excluding Friendly Society Benefit Funds)*	**2009** **$000's**	**2008** **$000's**	**% Change**
Normalised by major division			
Property Funds Management	(271)	4,304	-106.3%
Property Investments	774	319	142.6%
Reverse Mortgages	3,673	(1,456)	352.3%
Friendly Society	10,324	11,709	-11.8%
Commercial Mortgages	450	4,213	-89.3%
Corporate	(5,265)	(5,978)	11.9%
Other divisions	826	1,625	-49.2%
Underlying EBIT	**10,511**	**14,736**	**-28.7%**
Finance costs Corporate Debt	(1,671)	(1,526)	
Tax (expense) reported	6,938	(1,882)	
Tax (expense) on one off adjustments	(8,589)	(3,311)	
Underlying NPAT	7,189	8,017	-10.3%

EBIT - Earnings before Interest and Tax. NPAT - Net Profit after Tax

Key points from the above table are:

- In a period which has just witnessed the Property Funds Management division return its first Underlying EBIT loss result of $271K (which on average over the past 3 financial years 2006 – 2008 has been profit of $5.458 million), the group Underlying NPAT of $7.2 million (being a reduction of $828,000 from the corresponding period) is a very pleasing result to the OFG Executive.
- As a result of the suspension of issuing new reserve mortgage loans, the division has been restructured to appropriately manage the existing book of loans which should continue to produce a solid accounting profit going forward.
- The Friendly Society continues to be a solid profit generator to the group.
- During the period, the executive team examined and instigated many cost saving initiatives which will not have the impact of the full benefit until 2009/2010 financial year. These cost saving initiatives include consultants, marketing, outsourced services, staffing, personnel and staff remuneration reductions and freezing of remunerations until 30 June 2010.

  Whilst many of the above expenses are significant to the group result, they are as a result of an extensive nine months program of review and ensuring adequate levels of reserving and write-offs reflected at balance date.

OVER FIFTY GROUP LIMITED

ACN 095 454 336
(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2009 Annual General Meeting of the Company will be held at CQ Functions, 113 Queen Street, Melbourne, Victoria on Thursday 29 October 2009 at 11:00am.

For further information please refer to the Explanatory Notes which form part of this Notice of Meeting.

ORDINARY BUSINESS

Item 1: Annual Financial Statements and Reports

To receive and consider the Annual Financial Report, Directors' Report and Auditors' Report for the year ended 30 June 2009.

Item 2: Adoption of the Remuneration Report (non-binding resolution)

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

> ***"That the Remuneration Report set out in the Company's Annual Report (as part of the Directors' Report) for the financial year ended 30 June 2009 be adopted."***
>
> (Note: In accordance with section 250R of the *Corporations Act 2001* (Cth), the vote on this Resolution is advisory only and does not bind the Directors or the Company.)

Item 3: Re-election of Mr Deepak Gupta as a Director

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

> ***"That Mr Deepak Gupta be re-elected as a Director of the Company."***

SPECIAL BUSINESS

Item 4: Approval of equity incentive plans under Listing Rule 7.2 (exception 9) and ASX Corporate Governance Principles

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

> ***"That for the purposes of Listing Rules 7.2 (exception 9) and the ASX Corporate Governance Principles and Recommendations, the issue of securities in the Company under:***
>
> ***(a) the Performance Rights Plan;***
>
> ***(b) the Executive Option Plan; and***
>
> ***(c) the Non-Executive Director Restricted Share Plan,***
>
> ***as described in the Explanatory Notes to the Notice of Meeting, and each Plan itself, is approved."***
>
> **(The Directors' reasons for proposing this resolution are set out on page 2 of the Explanatory Notes.)**

Item 5: Executive Option Plan

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

"That, for the purposes of Listing Rules 10.12 (exception 4), 10.14 and 10.15A and for all other purposes, the issue:

(a) to Mr John McBain (or his nominee) of:

(i) 80,000 performance rights under the Company's Performance Rights Plan; and

(ii) 600,000 options to subscribe for fully paid shares in the Company under the Company's Executive Option Plan; and

(b) to Mr Jason Huljich (or his nominee) of:

(i) 59,000 performance rights under the Company's Performance Rights Plan; and

(ii) 400,000 options to subscribe for fully paid shares in the Company under the Company's Executive Option Plan,

and the issue of shares upon their exercise (as described in the Explanatory Notes to the Notice) is approved."

(The Directors' reasons for proposing this resolution are set out on page 5 of the Explanatory Notes.)

Item 6: Non-Executive Director Restricted Share Plan

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

"That, for the purposes of Listing Rules 10.12 (exception 4), 10.14 and 10.15 and for all other purposes, the issue of 75,000 fully paid shares in the Company to each of Mr Roger Dobson, Mr Peter Done and Mr Deepak Gupta (or their nominees) under the Company's Non-Executive Director Restricted Share Plan (as described in the Explanatory Notes to the Notice), is approved."

(The Directors' reasons for proposing this resolution are set out on page 7 of the Explanatory Notes.)

By order of the Board

Terry Reid
Company Secretary
24 September 2009

NOTES:

1 Voting entitlements

Persons holding shares in the Company at 7:00 pm (Eastern Standard Time) on 27 October 2009 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be the shareholders of the Company.

2 How to vote

Shareholders may vote by attending the meeting in person, by proxy or by authorised representative.

3 Proxies and authorised representatives

A shareholder who is entitled to attend and vote at the Annual General Meeting may appoint no more than two proxies to attend and vote on behalf of the shareholder. Where two proxies are appointed, each proxy must be appointed to represent a specified number of votes or proportion of the shareholder's voting rights. If no number or proportion is specified, each proxy may exercise half of the votes.

Corporate shareholders must provide the Company with satisfactory evidence of the appointment of any corporate representative who will represent the shareholder at the Annual General Meeting, prior to the commencement of the Annual General Meeting.

A proxy need not be a shareholder of the Company. A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the *Corporations Act 2001* (Cth); and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Annual General Meeting.

A proxy form and a reply paid envelope are enclosed with this Notice of Annual General Meeting. If you wish to appoint two proxies, please obtain an additional form from the Company's Share Registry or make a photocopy of the enclosed proxy form. To be effective, a duly completed proxy form and the power of attorney (if any) under which the proxy form is signed or a certified copy of the relevant authority must be received at the Company's Share Registry or at the Company's registered office at least 48 hours before the start of the Annual General Meeting (being no later than 11.00 am on Tuesday 27 October 2009).

Proxies may be returned as follows:

- posted to the Company in the enclosed reply paid envelope;
- delivered to the Company's Share Registry:

  Link Market Services Limited
  Level 12, 680 George Street
  SYDNEY NSW 2000;
- posted to the Company's Share Registry:

  Link Market Services Limited
  Locked Bag A14, SYDNEY SOUTH, NSW, 1235; or
- lodged on-line by visiting www.linkmarketservices.com.au, or
- faxed to the following number:

  (02) 9287 0309

4 Voting exclusion statement

In accordance with the Listing Rules the Company will disregard any votes cast on Items 4, 5 and 6 by:

- any Director or (for item 4 only) employee of the Company; and
- any associates of any Director or (for item 4 only) associates of any employee of the Company.

However, the Company need not disregard a vote if:

- it is cast by a person chairing 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; or
- it is cast by a person as proxy for a person who is entitled vote, in accordance with a direction on the proxy form to vote as the proxy decides.

EXPLANATORY NOTES

These Explanatory Notes have been prepared to provide shareholders with sufficient information to assess the merits of the resolutions and the business to be conducted at the Company's 2009 Annual General Meeting.

You should read the Explanatory Notes in full before making any decisions in relation to the resolutions.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the proposed resolutions set out in the Notice of Meeting.

Item 1: Annual Financial Statements and Reports

The *Corporations Act 2001* (Cth) requires the Annual Financial Report (which includes the Director's Declaration), Directors' Report and Auditors' Report (**Reports**) to be received and considered at the Annual General Meeting.

Neither the *Corporations Act 2001* (Cth) nor the Company's constitution requires shareholders to vote on the Reports. Shareholders will, however, be given a reasonable opportunity to raise questions on the Reports at the Annual General Meeting. A reasonable opportunity will also be given to shareholders as a whole to ask the Auditors questions relevant to the conduct of the audit and the preparation and contents of the Auditors' Report.

The Company's 2009 Annual Report is available for shareholders to access and download from the Company's website at www.overfifty.com.au. If you would like to receive a hard copy of the Annual Report, please contact the Share Registry on 1800 112 929. Shareholders who have specifically requested a hard copy of the Annual Report will receive it by mail.

Item 2: Adoption of Remuneration Report (non-binding resolution)

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2009 Annual Report (which includes the Reports) and is also available from the Company's website (www.overfifty.com.au).

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Directors and each of the five company executives who received the highest remuneration for the financial year ended 30 June 2009 and discusses the relationship between the policies and the Company's performance.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Annual General Meeting.

The shareholder vote is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

Recommendation

The Directors do not consider it appropriate to give a recommendation on this proposed resolution as it relates to their remuneration.

Item 3: Re-election of Mr Deepak Gupta as a Director

BCA, MBA, FCFIP *Aged 46 years*

In accordance with the terms of the Company's constitution, Mr Deepak Gupta retires by rotation at the close of the Annual General Meeting and being eligible, offers himself for re-election as a Director. Deepak's personal details are as below:

Deepak Gupta has 25 years' experience in the financial services and investment management industry in New Zealand.

Deepak joined Trustees Executors Limited in 2004 and was appointed to the Board as an Executive Director in November 2005. As Executive Director of Trustees Executors, Deepak is responsible for the strategic, operational and financial management of the company. Trustees Executors is New Zealand's largest corporate trustee and fund services company with assets under supervision, management and administration of over A$36 billion.

Prior to joining Trustees Executors, Deepak also worked at senior management level for major institutional investors such as Westpac Investment Management, Royal and Sun Alliance and AMP in the areas of funds management and private equity investment. Deepak has a strong understanding of capital markets, investment theory and practice, and of all the major asset classes, being equities, bonds and property and has been involved in a variety of private equity transactions.

Deepak is a Director of NZX listed Tourism Holdings Limited, New Zealand's largest tourism company, and a range of private businesses. Deepak is also a founding Director of the Institute of Finance Professionals NZ Inc (INFINZ), the industry body for finance and investment professionals in New Zealand. INFINZ has close relationships with various similar industry bodies in Australia.

Deepak holds a Bachelor of Commerce and Administration (Business Administration) from Victoria University in Wellington, New Zealand, a Certificate of Investment Analysis from the University of Otago and a Master of Business Administration from Massey University. Deepak is also a Fellow of INFINZ.

Deepak has been on the Company's Board since 2007 and is a member of the Audit, Risk Management and Compliance Committee, the Investment Committee and the Nomination and Remuneration Committee.

Recommendation

The Board (with Deepak Gupta abstaining) recommends that shareholders vote in favour of the re-election of Deepak Gupta.

Item 4: Approval of equity incentive plans under Listing Rule 7.2 (exception 9) and ASX Corporate Governance Principles

Background

The Company's Performance Rights Plan was first approved by shareholders at the Company's 2003 Annual General Meeting but no shares have been issued pursuant to the original Plan. The terms of the updated plan are described below and in Appendix A. The Board of Directors is now seeking re-approval of the same number of Performance Rights Plan by the shareholders as was originally approved in 2003.

A revised Executive Option Plan and a new Non-Executive Director Restricted Share Plan are proposed equity incentive plans for which Listing Rule approvals are being sought. The terms of the plans are described below and, for the Executive Option Plan, in Appendix B as well.

The Executive Option Plan and the Performance Rights Plan will generally deliver the whole of the variable reward component of an employee's total remuneration and that there will be no short-term cash bonuses paid in addition to awards made under the Plans (other than in exceptional cases as determined by the Board).

Independent consultant

The Board consulted with an independent advisor on a limited scope basis for the purpose of determining the following aspects of its proposals (and not the quantum of the awards and the performance hurdles), having regard for corporate governance principles and the proposed changes to the taxation of employee share schemes:

- the use of restricted shares to be delivered to Non-Executive Directors (as defined below) in lieu of additional cash fees;
- the use of Performance Rights as a short-term incentive for executives in lieu of cash bonuses; and
- the appropriateness of awarding executives options with a 3 year vesting period as a long-term incentive.

The independent advisor considered that each of the above proposals are in line with corporate governance principles and the proposed changes to the taxation of employee share schemes.

Quantum of Awards and Performance Hurdles

Separately, the Board determined the quantum of the awards and the performance hurdles to be used in the Executive Option Plan and Performance Rights Plan, based on what it considers to be appropriate.

Performance Rights Plan

Under the Performance Rights Plan the Board on the recommendation of the Remuneration Committee will have a discretion to grant up to 3 million performance rights (**Performance Rights**) to eligible employees. Subject to vesting and performance conditions described below, upon the exercise of one Performance Right, the relevant eligible employee will be entitled to be issued with one fully paid ordinary share in the Company (**OFG Share**). No issue price or exercise price is payable by the eligible employee.

In limited circumstances the Board may, under the Performance Rights Plan, allow an employee to elect, in whole or part, to receive cash rather than OFG Shares.

Since the initial approval of the Performance Rights Plan in 2003, 1,149,062 Performance Rights have been granted, however, no OFG Shares have been issued pursuant to the exercise of those Performance Rights.

The Performance Rights Plan has two parts:

- **Compensation Performance Rights -** designed to compensate eligible employees for salary reductions made this year, with the number to be issued determined by reference to the amount of the reduction; and
- **Incentive Performance Rights -** which are to provide eligible employees with a short-term incentive, and the Board may elect to award an employee with either Performance Rights or a cash bonus or a combination of both, bearing in mind the total remuneration the employee is awarded in a particular year.

Eligibility to grants will be determined by the Board (or the Remuneration Committee acting as the Board's delegate).

The Performance Rights will vest on, and are exercisable after, dates specified at the time of grant (the **Vesting Date**) subject (other than for the Compensation Performance Rights) to the achievement of certain performance hurdles by the Company which are based on the Company's earnings per share (**EPS**). (If the capital of the Company is reconstructed then the hurdles will be adjusted as necessary for all three of the plans.)

The Board is seeking approval for the issue of up to 3 million Performance Rights (which if all granted and all validly exercised would result in the issue of 3 million Shares).

Details of the proposed grants of Performance Rights in 2009 are set out below:

Performance Rights Grant Date	Number of Performance Rights	EPS Hurdle	Vesting Date
Compensation Performance Rights			
1 November 2009	0.7 million	No EPS hurdle	1 July 2010
Incentive Performance Rights			
1 November 2009	0.3 million	8.96 cents for financial year ending 30 June 2010	1 July 2010

The Board proposes that of the balance of two million Performance Rights, up to one million will be issued at the end of each of the 2010 and 2011 financial years (**FY**) and that they will vest, subject to EPS hurdles to be set at the time of grant, one year after grant.

Only persons employed on the relevant Performance Rights Grant Date by the Company or one of its subsidiaries (together the **OFG Group**) will be eligible to receive a grant of Performance Rights. The Performance Rights of an eligible employee will be forfeited upon termination of the eligible employee's ceasing to be an employee or director of the OFG Group (other than as a result of certain circumstances such as death, total and permanent disability or redundancy or the sale of an OFG Group Company or business which employs the OFG employee or as otherwise determined by the Board (**Qualifying Reasons**)).

Executive Option Plan

The Executive Option Plan represents the long-term incentive for senior executives. The award of Executive Options under this Plan will be subject to EPS hurdles and no Executive Option will be capable of being exercised until the third year after the date of granting (that is, 2012).

For details of the Executive Option Plan see the description below in the notes on Item 5 and the summary in Appendix B.

Non-Executive Director Restricted Share Plan

For details of the Non-Executive Director Restricted Share Plan see the description below in the notes on Item 6.

Approval required under ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that the Company may not issue or agree to issue equity securities which in aggregate exceed 15% of the Company’s fully paid issued share capital in any 12 month period without obtaining shareholder approval or unless another exception applies.

Exception 9 to ASX Listing Rule 7.1 (found in ASX Listing Rule 7.2) provides that issues of equity securities are not included when calculating this 15% threshold if shareholders approved the issue of securities under an employee incentive scheme as an exception to Listing Rule 7.1 no more than 3 years before the date of issue of the equity securities.

The Company is therefore seeking shareholder approval of the Performance Rights Plan, the Executive Option Scheme and the Non-Executive Director Restricted Share Plan as employee incentive schemes under Listing Rule 7.2 (exception 9).

Corporate governance requirements

The ASX Corporate Governance Principles and Recommendations state that it may be useful to submit to shareholders proposed equity-based incentive plans which involve the issue of new shares to senior executives prior to implementing them. Accordingly as a matter of "best practice", the Board is seeking shareholder approval for the Performance Rights Plan and the Executive Option Plan to the extent that they relate to the Company's executives (**Executives**).

Recommendation

The Directors recommend that shareholders vote in favour of this resolution.

Item 5: Approval under ASX Listing Rules 10.12 (exception 4), 10.14 and 10.15A of the issue of securities to Executive Directors

Background

It is proposed that various issues of equity securities under the Performance Rights Plan and the Executive Option Plan be made to Mr John McBain and Mr Jason Huljich who are executive Directors of the Company (**Executive Directors**).

By way of background, the Non-Executive Directors consider that the following is relevant to the consideration of the proposed Executive Option Plan:

- the Company has previously only offered share options to its chief executive officer, when in 2006 shareholders approved the issue of 1.1 million share options to the then CEO. These options have all lapsed;
- the Executive Option Plan, as a more broadly based option equity incentive scheme, will provide senior management with the incentive to achieve better financial performance for the benefit of the shareholders in the Company and will provide a strong alignment of the interests of senior management with those of the shareholders;
- over the last 2 years there has been a significant change in, and renewal of, the Company's senior management team; and
- total employee numbers have substantially reduced and total OFG Group remuneration for the financial year ending 30 June 2010 is forecast to continue this trend by being at least 5% lower than for the previous financial year.

Listing Rules 10.11, 10.14 and 10.15A

Shareholder approval is required for the issue by a listed company of equity securities:

- to a related party (which includes its Directors) under ASX Listing Rule 10.11; and
- to a Director under ASX Listing Rule 10.14,

unless another one of the other specific exceptions applies. (None are relevant to the current proposals other than the shareholder approval exception.)

Accordingly, shareholder approval is being sought to the proposed issue of equity securities to the Executive Directors under the Performance Rights Plan and Executive Option Plan.

Terms of the Performance Rights Plan

A summary of the terms of the Performance Rights Plan is set out above and in Appendix A.

Terms of the Executive Option Plan

A summary of the terms of the Executive Option Plan is set out below and in Appendix B.

Under the Executive Option Plan, Executives selected by the Board will be granted options to subscribe for OFG Shares (**Executive Options**).

The Executive Options will not vest:

- until the lodgment or publication by the Company of its annual financial statements for the financial year ending 30 June 2012 (**Announcement Date**); or

- a Change of Control Event (as defined - see Appendix B) occurs.

The Executive Options will also not vest if the relevant Executive is at that time an employee or director of an OFG Group Company or has only ceased to be an employee or director due to a Qualifying Reason (death, total and permanent disability, redundancy or the sale of an OFG Group Company or business which employs the OFG employee or as otherwise determined by the Board).

The Executive Options held by an Executive will be forfeited if the Executive ceases to be an employee or a director other than due to a Qualifying Reason or if after the Announcement Date none of the Executive Options have vested.

Executive Options will only be exercisable if a performance hurdle is met or if there is a Change of Control Event. All or part only of the Executive Options may vest and become exercisable.

All of the Executive Options will become exercisable if:

- the Company meets or exceeds all of the following EPS targets for the FYs shown;

Financial Year (**FY)**	EPS Hurdle
2010	8.96 cents
2011	10.04 cents
2012	11.23 cents

or

- the simple average of the Company's EPS for the 3 FYs is 10.07 cents.

Part only of the Executive Options will become exercisable if:

- a Change of Control Event occurs (the number of Executive Options vesting will be pro-rata to the proportion of the vesting period that has elapsed at the time of the Change of Control Event); or

- based on the EPS achieved and on the following sliding scale, assuming that the EPS for the purposes of the growth chart was 8 cents for the financial year ending 30 June 2009 (in fact there was no positive EPS for that period):

EPS growth	% Executive Options vesting
Less than 8%	0%
8 – 8.99%	20%
9 – 9.99%	40%
10 – 10.99%	60%
11 – 11.99%	80%
12 % or over	100%

The Board has determined that the combination of the EPS performance hurdle and setting the exercise price above the anticipated fair market value of the underlying OFG Share at the time of grant is appropriate because satisfaction of the hurdles (and therefore vesting) should correspond to an increase in shareholder value.

Of the total number of Executive Options of an Executive that become exercisable, one third will have an exercise price of $0.66, one third an exercise price of $0.73 and one third an exercise price of $0.80, per Executive Option.

The Executive Options may be exercised from the Announcement Date for a period of 3 months less one day.

The maximum number of Executive Options issued under the Executive Option Plan, and of OFG Shares issued upon exercise of the Executive Options, will be 2.1 million. One Executive Option on its valid exercise entitles the holder to be issued with one OFG Share. The Executive Options will be issued to Executives for nil consideration and within 12 months of the date of approval of their issue by the OFG shareholders. As the Executive Option Plan is a new plan, no securities have yet been issued under the plan. Under the previous executive option plan 1.1 million options were issued to the previous CEO. No shares were issued pursuant to the exercise of those options and all of those options have now lapsed.

Funds raised by the Company pursuant to the Executive Option Plan will be used for working capital.

The number of Executive Options proposed to be issued to the Executive Directors is set out below:

Name of Executive Director	Executive Options to be granted	Compensation Performance Rights to be granted on 1 November 2009
Mr John McBain	600,000	80,000
Mr Jason Huljich	400,000	59,000

The Performance Rights referred to above to be issued to the Executive Directors are Compensation Performance Rights and are to be granted as Compensation to the Executive Directors for salary reductions made this financial year. The number issued has been determined by reference to the amount of the reduction.

Details of any securities issued under the Performance Rights Plan and Executive Option Plan will be published in each annual report of the Company in relation to a period in which securities have been issued and that approval for the issue of securities was obtained under ASX Listing Rule 10.15A.

Any additional Executive Directors who become entitled to participate in the Performance Rights Plan or Executive Option Plan after this resolution is made and who were not named in this Notice of Meeting will not participate in the Performance Rights Plan or Executive Option Plan until approval is obtained under ASX Listing Rule 10.15A.

Recommendation

The Non-Executive Directors recommend that shareholders vote in favour of this resolution. (The Executive Directors, being interested in the resolution, abstain from making a recommendation.)

Item 6: Approval under ASX Listing Rules 10.12 (exception 4), 10.14 and 10.15 of the issue of securities to Non-Executive Directors

Background

It is proposed that under the Non-Executive Director Restricted Share Plan (described below) OFG Shares will be issued to Mr Roger Dobson, Mr Peter Done and Mr Deepak Gupta who are non-executive Directors of the Company (**Non-Executive Directors**), as part of their annual total directors' fees.

The annual fees paid to the Non-Executive Directors have been reduced over a number of years as follows:

- FY 2007 - $464,000;
- FY 2008 - $381,000;
- FY 2009 - $263,000; and
- FY 2010 (forecast) - $307,000 (including the grant of the OFG Shares proposed in Item 6 (and assuming a market price of $0.50 per OFG Share).

Executive Directors' reasons for recommendation

The Executive Directors recommend that shareholders vote in favour of this resolution for the following reasons:

- There has been no increase in Directors' fees since 2006 and fees have been reduced steadily since then.
- The total number of Directors has fallen from 7 in FY 2007 to 5 currently though the workload on the Non-Executive Directors has increased proportionally.
- The past practices of:
    - the Company making contributions for the Directors' retirement fund; and
    - certain Non-Executive Directors charging fees for additional work over and above annual Directors' ,

  have been discontinued by the current Board.
- Mr Dobson, non-executive chairman has requested that the cash component of his Director's fees be reduced by $12,500 for FY 2010.
- Mr Done, non-executive Director has requested that the cash component of his Director's fees be reduced by $8,000 for FY 2010.
- It is considered that the total remuneration for the Non-Executive Directors for FY 2009 was insufficient but it did reflect the subdued financial state of the economy during this period.

For the above reasons, the concept of the Non-Executive Directors taking a component of their remuneration as OFG Shares is seen as further aligning their interests with shareholders.

Listing Rules 10.11 and 10.14

Shareholder approval is required for the issue by a listed company of equity securities:

- to a related party (which includes its Directors) under ASX Listing Rule 10.11; and
- to a Director under ASX Listing Rule 10.14,

unless another one of the other specific exceptions applies. (None are relevant to the current proposals other than the shareholder approval exception.)

Accordingly, shareholder approval is being sought to the proposed issue of OFG Shares to the Non-Executive Directors. As the Non-Executive Director Restricted Share Plan is a new plan, no securities have yet been issued under the plan.

Terms of the Non-Executive Director Restricted Share Plan

Each of Mr Roger Dobson, Mr Peter Done and Mr Deepak Gupta will, subject to shareholder approval, be issued with 75,000 OFG Shares under the Non-Executive Director Restricted Share Plan.

OFG Shares to be issued under the Non-Executive Director Restricted Share Plan will be issued within three months of the date of approval by the OFG shareholders and will be issued for nil consideration. OFG Shares will be subject to trading restrictions and participating Non-Executive Directors will not be able to sell or otherwise deal with their OFG Shares issued under the plan within 12 months of the date of issue unless a Change of Control Event occurs.

Recommendation

The Executive Directors recommend that shareholders vote in favour of this resolution. (The Non-Executive Directors, being interested in the resolution, abstain from making a recommendation.)

Appendix A

Summary of terms of the Performance Rights Plan

The Company acknowledges that equity based compensation (when linked with performance hurdles) may be effective in strengthening the relationship between employee reward and company performance.

The Board is seeking re-approval of the Performance Rights Plan (which was first approved at the Company's 2003 AGM) and approval for the issue of up to 3 million Performance Rights. No OFG Shares have been issued pursuant to the original Plan.

In general terms the Performance Rights Plan will operate in the same way as when it was originally approved although it is intended that the plan will have a much broader operation and will embrace all employees of the Company and its subsidiaries (together the **OFG Group** and each an **OFG Group Company**). The current proposals in relation to the terms of issue and operation of the Performance Rights Plan are described below but the Board reserves the discretion to alter those terms.

The Board intends to make offers annually to employees of the OFG Group over the next 3 years. In general terms participating employees selected by the Board will be issued a number of Performance Rights in respect of which the then current value of the underlying OFG Shares would equal a certain percentage of their prevailing base remuneration. Performance Rights will be granted, and are exercisable (unless the Board otherwise determines on grant), for nil consideration.

Only employees or directors of the OFG Group on the Performance Rights Grant Date will be eligible to receive a grant of Performance Rights. Similarly, in order to exercise a Performance Right, the relevant holder of a Performance Right must be an employee or a director of the OFG Group on the Vesting Date and on the exercise date.

A Performance Right represents the right to subscribe for or acquire one OFG Share in the Company for nil consideration (unless otherwise determined by the Board at the time of grant). OFG Shares can be delivered to an OFG employee in the Performance Rights Plan by being issued to an OFG employee or purchased and transferred to the OFG employee. Performance Rights do not confer on an OFG employee the right to participate in new issues of OFG Shares. However, bonus issues of OFG Shares accrue and an adjustment will be made for rights issues in accordance with ASX Listing Rules. Performance Rights may not be transferred, or encumbered without the approval of the Board and will not be listed for quotation on any stock exchange.

The Board may from time to time determine the performance conditions (if any) that will apply to Performance Rights. Only Performance Rights which satisfy these conditions or which vest following a Change of Control Event, will vest and become exercisable. It is currently proposed that Performance Rights will be issued subject to an earnings per share (**EPS**) hurdle.

The Board has the discretion to impose disposal restrictions on OFG Shares acquired pursuant to the exercise of Performance Rights. It is not envisaged that any disposal restrictions, except those to enforce any forfeiture conditions (for example, arising from bringing the OFG Group into disrepute or dishonest acts), will be applied.

OFG Shares issued upon the exercise of Performance Rights will rank equally with all other issued OFG Shares, and will be entitled in full to those dividends which have a record date for determining entitlements after the date of issue or transfer. The Company will apply for official quotation of those OFG Shares on the ASX.

Performance Rights will be forfeited in certain circumstances, including the first to occur of the following:

- any date specified in the offer as the expiry date of the Performance Right;
- the third anniversary of the date of the grant of the Performance Right or such later date as determined by the Board;
- the OFG employee ceases to be employed by, or to be a director of, an OFG Group Company (and is not immediately employed by, or become a director of, any OFG Group Company) for any reason other than a Qualifying Reason (death, total and permanent disability or redundancy of the OFG employee, or the sale of an OFG Group Company or business which employs the OFG employee or as otherwise determined by the Board);
- 3 months (less one day) after the Vesting Date of the Performance Right; and
- the Board determines that the OFG employee has acted fraudulently or dishonestly or is in serious breach of duty (under contract or otherwise) to an OFG Group Company, or in the Board's reasonable opinion, the OFG employee has brought an OFG Group Company into serious disrepute.

Upon the forfeiture of a Performance Right, all rights of the OFG employee in respect of that Performance Right cease.

Where a Change of Control Event occurs (as defined - see Appendix B) there will be a pro-rata vesting of Performance Rights based on the proportion of the vesting period that has elapsed at the time that the Change of Control Event occurs.

If an event occurs affecting the number or type of securities on issue in the capital of the Company (including a subdivision, consolidation or reduction), the Performance Rights will be restructured in a manner which is fair and equitable to the OFG employees and which is consistent with the relevant provisions of the ASX Listing Rules at that time.

The Board will have the ability to delegate the administration of the Performance Rights plan to special purpose committees or designated persons to assist in the management of the Plan. Further, the Performance Rights Plan may be amended or supplemented by the Board. The Board may terminate or suspend the operation of the Performance Rights Plan at any time.

Each OFG participating employee is deemed to irrevocably appoint the Company and any person nominated from time to time by the Board as their attorney to complete and execute documents and do all things necessary to give effect to the rules of the Performance Rights Plan.

If shareholders approve the Performance Rights Plan, the Board proposes to implement it within 3 months of the date of approval.

The Board intends to comply with the terms of ASIC Class Order 03/184 in relation to the Performance Rights Plan which provides relief from the obligation to prepare a prospectus for the offer and issue of securities under an employee equity incentive scheme in certain situations. In broad terms, it is a condition of the relief that offers of shares (or outstanding options to subscribe for shares) under the relevant plan together with shares issued under similar plans during the last 5 years which were also issued pursuant to the class order relief does not exceed 5% of the total issued share capital of the Company.

A copy of the Rules of the Performance Rights Plan will be sent to a shareholder free of charge on request.

Appendix B

Summary of terms of the Executive Option Plan

The ASX Corporate Governance Principles and Recommendations recommend that executive compensation comprise a performance based element and the Company acknowledges that equity based compensation (when linked with performance hurdles) may be effective in strengthening the relationship between executive reward and company performance. The Company therefore wishes to implement the Executive Option Plan for the purpose of attracting, motivating and retaining the Company's Executives, and aligning Executive and shareholder interests over the long-term.

The Board will have the discretion to invite Executives of the Company and its subsidiaries (together the **OFG Group** and each an **OFG Group Company**) to participate in the Executive Option Plan and may determine the procedure for granting of options (**Executive Options**) to subscribe for fully paid ordinary shares in the Company (**OFG Shares**). The Board may exercise its powers in relation to the participation of any Executive on any number of occasions. The number of Executive Options for which shareholder approval is being sought is capped at 2.1 million.

For those Executives who are also Directors of the Company (**Executive Directors**), approval is required under Listing Rules 10.14 and 10.15A. Otherwise, provided that the number of all Executive Options issued does not exceed the cap, the Board will have a discretion as to whom the Executive Options will be issued and the terms of issue. The current proposals in relation to the terms of issue are described below but the Board reserves the discretion to alter those terms.

Each Executive Option represents the right to subscribe for or acquire one OFG Share by payment of the exercise price nominated at the time of grant.

Under the Executive Option Plan, the Executive Options will become exercisable on the Vesting Dates specified at the date of grant (generally in the third year from the date of grant) determined by the Board subject to the Company achieving certain EPS or other performance hurdles set at the time of grant. The hurdles may be personal to the relevant Executive or relate to the OFG Group or an OFG Group Company or a combination of both and will be determined by the Board (or its delegate) at the time of grant. The 2009 grant will have EPS hurdles only.

Only Executives or directors of an OFG Group Company on the date that the Executive Option is granted will be eligible to receive an Executive Option. Similarly, in order to exercise an Executive Option, the relevant Executive must be an employee or director of an OFG Group Company on the Vesting Date and on the exercise date or have ceased to be an employee or director only because of a Qualifying Reason (as defined).

The Board has the discretion to impose disposal restrictions on OFG Shares acquired from the exercise of the Executive Options. It is not envisaged that any disposal restrictions, except those to enforce any forfeiture conditions, will be applied.

OFG Shares issued upon the exercise of Executive Options will rank equally with all other issued shares, and will be entitled to dividends which have a record date for determining the entitlements after the date of issue.

An unexercised Executive Option (whether or not vested) held by an Executive will, unless the Board otherwise determines, be forfeited on the first to occur of the following:

- any date specified in the offer as the expiry date of the Executive Option;
- the fifth anniversary of the date of the grant of the Executive Option or such later date as determined by the Board;

- the Executive ceases to be an employee or a director of an OFG Group Company (and is not immediately employed by, or made a director of, any OFG Group Company) for any reason other than a Qualifying Reason (death, total and permanent disability or redundancy of the Executive, or the sale of an OFG Group Company or business which employs the Executive or as otherwise determined by the Board);

- 3 months (less one day) after the Vesting Date of the Executive Option; and

- the Board determines that the Executive has acted fraudulently or dishonestly or is in serious breach of duty (under contract or otherwise) to an OFG Group Company, or in the Board's reasonable opinion, the Executive has brought an OFG Group Company into serious disrepute.

Upon the forfeiture of an Executive Option, all rights of the Executive in respect of that Executive Option cease.

Where a Change of Control Event occurs there will be a pro-rata vesting of Executive Options based on the proportion of the vesting period that has elapsed at the time of the Change of Control Event. The Board will have the ability to delegate the administration of the Executive Option Plan to special purpose committees or designated persons to assist in the management of the plan. Further, the Executive Option Plan may be amended or supplemented by the Board. The Board may terminate or suspend the operation of the Executive Option Plan at any time so long as such termination will not prejudicially affect the existing rights of Executives to whom OFG Shares have already been issued as a result of an exercise of an Executive Option.

A Change of Control Event occurs if a person acquires:

- a relevant interest (within the meaning of section 608 of the *Corporations Act* 2001) in more than 50% of the ordinary shares in the Company; or

- control of the Company,

or any other event occurs which the Board determines, in its absolute discretion, to be a Change of Control Event.

If an event occurs affecting the number or type of securities on issue in the capital of the Company (including a subdivision, consolidation or reduction), the Executive Options will be restructured in a manner which is fair and equitable to the Executives which is consistent with the relevant provisions of the ASX Listing Rules at that time.

Each Executive who has exercised an Executive Option is deemed to irrevocably appoint the Company and any person nominated from time to time by the Board as their attorney to complete and execute documents and do all things necessary to give effect to the Rules of the Executive Option Plan.

If shareholders approve the Executive Option Plan, the Board proposes to implement it with effect from the date of approval.

A copy of the rules of the Executive Option Plan will be sent to a shareholder free of charge on request.

Over Fifty Group Limited
ABN 22 095 454 336

LODGE YOUR VOTE

By mail:
Over Fifty Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

ONLINE www.linkmarketservices.com.au

All enquiries to:
Telephone: 1800 112 929
Overseas: +61 2 8280 7451

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Over Fifty Group Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

the **Chairman of the Meeting (mark box)** ☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:00am on Thursday, 29 October 2009, at CQ Functions. Level 1, 113 Queen St. Melbourne and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an X

STEP 2 VOTING DIRECTIONS

ORDINARY BUSINESS

		For	Against	Abstain*
2	Adopt the Remuneration Report (non-binding resolution)	☐	☐	☐
3	Re-election of Mr Deepak Gupta as a Director of the Company	☐	☐	☐

SPECIAL BUSINESS

		For	Against	Abstain*
4	Approval of equity plans under Listing Rule 7.2 (exception 9)	☐	☐	☐

Executive Option Plan

		For	Against	Abstain*
5	Issue of performance rights and options to Mr John McBain and Mr Jason Huljich	☐	☐	☐

Non-Executive Directors Restricted Share Plan

		For	Against	Abstain*
6	Issue of fully paid shares to Mr Roger Dobson, Mr Peter Done and Mr Deepak Gupta	☐	☐	☐

* 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.

STEP 3 IMPORTANT – VOTING EXCLUSIONS

☐ If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Items 4 and 6 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of those Items and that votes cast by him/her for those Items, 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 4 and 6 and your votes will not be counted in calculating the required majority if a poll is called on these Item.
The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 6.

STEP 4 SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
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 company's constitution and the *Corporations Act 2001* (Cth).

OFG PRX902

HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business – Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11:00am on Tuesday, 27 October 2009, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

by mail:

Over Fifty Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

by fax:

+61 2 9287 0309

online: ONLINE www.linkmarketservices.com.au

lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

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

Questions and Comments

You may wish to give advance notice of any question(s) you would like to have considered at the forthcoming Annual General Meeting. If so, please detach and return this slip to Over Fifty Group Limited at the address provided above in note 3. We will do our best to answer as many questions as possible at the meeting. Please attach extra pages if necessary.

Name: …………………………………………………………..

Address: ………………………………………………………………

………………………………………………………………

1. for the Chairman

……

……

……

……

……

……

……

……

……

2. for the Auditors

……

……

……

……

……

……

……

……

……

……

……

……

……

……