

22 December 2015

Immediate release to the ASX

Revised Securities Trading Policy

In accordance with ASX Listing Rule 12.10, Lifestyle Communities Limited (ASX code: LIC) advises that it has amended its Securities Trading Policy.

A copy of the revised Securities Trading Policy, which is effective from 22 December 2015, is attached.

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About Lifestyle Communities
Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living communities.

LIFESTYLE COMMUNITIES LTD
ACN 078 675 153

SECURITIES TRADING POLICY

1 OVERVIEW

Note capitalised terms in this policy are as defined in section 0 of this policy (Glossary of terms).

This policy imposes binding obligations on Designated Persons. A **Designated Person** is:

- (a) a director, officer or employee of the Company; or
- (b) a contractor or consultant whose terms of engagement require them to comply with this policy.

Designated Persons must conduct their personal investment activity lawfully and in a manner that avoids a conflict of interest between their personal interests and duties owed to the Company. Designated Persons must:

- (c) only Trade in Company Securities where it is consistent with the Insider Trading Laws to do so (the Insider Trading Laws are discussed in section 2 of this policy);
- (d) not Trade in Company Securities during a Prohibited Period unless an Exception applies or a Clearance has been obtained (the Prohibited Periods, Exceptions and Clearances are discussed in section 3 of this policy);
- (e) comply with the further restrictions set out in section 4 of this policy; and
- (f) take all reasonable steps to ensure that any Associate of the Designated Person complies with the requirements of this policy as if they were a Designated Person.

Breach of this policy will be regarded by the Company as serious misconduct which may lead to disciplinary action or dismissal/contract termination as appropriate.

The appendix at the end of this policy provides a flowchart which identifies the process for determining whether a Trade in a Company Security by a Designated Person is permitted under this policy.

2 THE INSIDER TRADING LAWS

2.1 Effect of the Insider Trading Laws

*Note the information in this section is a general summary only of the Insider Trading Laws. It is not intended to be exhaustive. **If you are in any doubt about whether any particular act or transaction will comply with the Insider Trading Laws, you should seek legal advice.***

If you have Inside Information relating to a company, it is illegal for you to:

- (a) Trade in that company's Securities or enter into an agreement to do so;
- (b) procure another person to apply for, acquire or dispose of the company's Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, the Inside Information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs 2.1(a) or 2.1(b) above.

It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from the company to which the information relates to constitute Inside Information.

You cannot avoid the prohibition on insider trading by arranging for a member of your family or a friend to Trade in the company's Securities nor may you give "tips" to others concerning Inside Information.

It is important to be aware that the prohibitions under the Insider Trading Laws apply at all times, including during periods that are outside a Prohibited Period imposed by section 3 of this policy.

2.2 What is inside information?

"Inside Information" is information relating to a company which is not generally available but, if the information was generally available, would be likely to have a material effect on the price or value of the company's Securities. Inside Information can include matters of speculation or supposition.

Information is regarded as being likely to have a material effect on the value of a company's Securities if it would, or would be likely to, influence persons who commonly invest in Securities or other traded financial products in deciding whether or not to deal in the company's Securities.

Examples of Inside Information include (without limitation) the following (assuming this information is not generally available):

- (a) the financial performance of the company against its budget;
- (b) likely or actual entry into, or loss of, a material contract;
- (c) material acquisitions or sales of assets by the company; or
- (d) a material claim against the company or other unexpected liability.

2.3 When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to the ASX or otherwise similarly brought to the attention of investors who commonly invest in Securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs 2.3 (a) or (b) above.

Examples of possible readily observable matters include (without limitation) the following:

- (d) a change in legislation which will affect the company's ability to make certain types of investments; or
- (e) a severe downturn in global securities markets.

2.4 Penalties

Breach of the Insider Trading Laws can lead to:

- (a) criminal liability - penalties include heavy fines (up to \$450,000) and imprisonment (up to 10 years);
- (b) civil liability - the offender can be sued by another party for any loss suffered as a result of illegal trading activities; and/or
- (c) civil penalties and other court orders - the Australian Securities and Investments Commission may seek civil penalties and may seek other court orders including an order disqualifying the offender from managing a corporation.

3 NO TRADING DURING PROHIBITED PERIODS

3.1 Prohibited Periods

Designated Persons must not Trade in the Company's Securities during the following **Prohibited Periods** except as permitted by this clause 3:

- (a) the following periods as applicable each year:
 - (i) from 1 January to the opening of trading on the second Business Day after the Company's half-yearly results are announced to the ASX;
 - (ii) from 1 July to the opening of trading on the second Business Day after the Company's annual results for that year are announced to the ASX;
 - (iii) from the opening of trading on the date that is two weeks prior to the AGM to the opening of trading on the first Business Day after the close of the AGM;
- (b) any extension to a period referred to in section 3.1(a), and any additional period, as specified by the Board.

Designated Persons may only Trade in the Company's Securities during a Prohibited Period if either:

- (c) an Exception applies (discussed in section 3.2 below); or
- (d) a Clearance has been obtained (discussed in section 3.3 below).

Designated Persons may Trade in the Company's Securities outside the Prohibited Periods subject to complying with the Insider Trading Laws (see section 2 above) and the restrictions in section 4 of this policy.

3.2 Exceptions

Subject to ensuring compliance with the Insider Trading Laws, a Designated Person may Trade in the Company's Securities during a Prohibited Period if any of the following exceptions apply (each an **Exception**):

- (a) subject to approval by the Company Secretary, the exercise of a vested option by an employee of the Company under the Company's Employee Share Option Plan (to avoid doubt, this does not include a sale of the Securities following the exercise of the option);
- (b) subject to approval by the Company Secretary, the conversion to ordinary shares of Convertible Re-Purchase Employee Shares under the Company's Employee Share Loan Plan (to avoid doubt, this does not include a sale of the Securities following the exercise of the option); or
- (c) participation in:
 - (i) a dividend reinvestment plan of the Company;
 - (ii) a Company share purchase plan;
 - (iii) a rights issue by the Company;
 - (iv) a public offering of the Company's Securities; or
 - (v) acceptance of an offer relating to a takeover of the Company or under a scheme of arrangement.

3.3 Clearance

- (a) Clearances may only be requested in exceptional circumstances. Exceptional circumstances may include where the Designated Person is compelled by law or by severe financial hardship to undertake the Trade.
- (b) A request for a Clearance must be made in writing:
 - (i) if the Designated Person is a member of Key Management Personnel – to the Chairman of the Board;
 - (ii) otherwise – to the Managing Director of the Company,or if that person is unavailable the request may be made to the Chair of the Audit Committee.
- (c) Any request for a Clearance that is from the Chairman of the Board must be made to the Chair of the Audit Committee.
- (d) Whether or not a Clearance is granted is determined on a case by case basis in the Company's sole discretion.
- (e) Unless specified otherwise, a Clearance will remain in force for two Business Days from the date it is issued. If the Trade to which the Clearance relates is not made while the Clearance is in force, a further Clearance must be requested.

4 FURTHER RESTRICTIONS

4.1 Security Arrangements relating to Company Securities

In order to avoid any potential conflict with a Designated Person's obligations under this policy, Designated Persons are not permitted to enter into finance arrangements involving the Company's Securities as collateral.

4.2 No short term or speculative trading

Designated Persons must not be involved in more than one Trade in the same Company Security within a three month period (e.g. sale of a Company Security within three months of having obtained it) unless a Clearance has been obtained in accordance with section 3.3.

4.3 Other

Designated Persons must not be involved in more than one Trade in the Company's Securities within a six month period unless a Clearance has been obtained in accordance with section 3.3.

5 GLOSSARY OF TERMS

In this policy:

AGM means the Annual General Meeting of the Company.

Associate of a Designated Person means a family member of that Designated Person who that Designated Person could reasonably be expected to influence and any company, trust or other entity that the Designated Person controls.

Business Day means any day that is not a Saturday, Sunday or public holiday in Victoria.

Chair of the Audit Committee means the Chair of the Audit Committee of the Company.

Chairman of the Board means the Chairman of the Board of the Company.

Clearance has the meaning given in section 3.2 of this policy.

Company means Lifestyle Communities Ltd ACN 078 675 153.

Corporations Act means the Corporations Act 2001 (Cth).

Designated Person has the meaning given in section 1 of this policy.

Exception has the meaning given in section 3.2 of this policy.

Key Management Personnel has the meaning given in Chapter 19 of the ASX Listing Rules.

Inside Information has the meaning given in section 2.2 of this policy.

Insider Trading Laws means Division 3 of Part 7.10 of Chapter 7 of the Corporations Act.

Prohibited Period has the meaning given in section 3.1 of this policy.

Security or Securities means shares, options and rights and also includes any other financial product referred to in section 1042A of the Corporations Act.

Trade or Trading means to buy or sell a Security or enter into an agreement, arrangement or understanding to buy or sell a Security, including making an application for a Security.

Approved by the Board: 22 December 2015

SECURITIES TRADING POLICY APPENDIX – FLOWCHART

