

20 September 2018

Immediate release to the ASX

Securities Trading Policy

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

A copy of the revised Securities Trading Policy is attached.

James Kelly
Managing Director
Ph: (03) 9682 2249
Email: james.kelly@lifestylecommunities.com.au

About Lifestyle Communities

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities has sixteen residential land lease communities in planning, development or under management.



**LIFESTYLE COMMUNITIES LTD
ACN 078 675 153**

SECURITIES TRADING POLICY

1 OVERVIEW

This Securities Trading Policy (**Policy**) is designed to ensure public confidence in Lifestyle Communities Ltd (**the Company**). It aligns with the Company's intention to build a company that has high standards of corporate governance. Its purpose is to not only minimise the risk of insider trading but also to avoid the appearance of insider trading and the significant reputational damage that it may cause.

This Policy applies to:

- (a) Directors, officers and employees of the Company or its subsidiaries;
- (b) contractors and consultants whose terms of engagement require them to comply with this Policy; and

(each of paragraph (a) and (b) being Designated Persons)

- (c) Connected Persons.

Connected Person means in relation to a Designated Person:

- (i) a family member of the Designated Person who may be expected to influence, or be influenced by, the Designated Person in his or her dealings with the Company or Company securities (this may include the Designated Person's spouse, partner and children, the children of the Designated Person's partner, or dependants of the Designated Person or the Designated Person's partner); and
- (ii) a company or any other entity which the Designated Person has an ability to control.

1.1 If this Policy applies to you then:

- (a) you must not trade in the Company's securities during the following periods (**Prohibited Periods**):
 - (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; or
 - (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; or
 - (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; or
 - (iv) any extension to a period referred to in (i), (ii) or (iii) of this paragraph (a), or any additional period, as specified by the Board,

unless:

- (i) an Exception applies; and
 - (ii) you have obtained a Clearance to trade in respect of that Exception.
- (b) You must not trade in the Company's securities outside the Prohibited Periods unless you have obtained a Clearance, pursuant to clause 3.4, to trade and possess no price sensitive or Inside Information.

The above is discussed in more detail below.

If this Policy requires a Designated Person to do anything, a Designated Person must also do that act or thing in respect of the Connected Person.

2 INSIDER TRADING

2.1 Insider Trading Laws

If you have inside information about a company, you must not:

- (a) trade in that company's securities or enter into an agreement to do so;
- (b) encourage another person to trade in the company's securities or enter into an agreement to do so; or
- (c) directly or indirectly provide, or cause to be provided, the inside information to another person if you know, or ought to know, that the person would or would be likely to use the information to trade in the company's securities or enter into an agreement to do so.

It does not matter how or in what capacity you become aware of the Inside Information.

The prohibition against insider trading applies not only to information concerning the Company but also if you have inside information relating to any other company which is not publicly available.

Through your work, you may become aware of price sensitive information relating to the Company's customers or joint venture partners.

For example, if you know that the Company is about to sign a major agreement with another company, you should not buy shares in either the Company or the other company.

Where the Company notifies you in writing that certain company securities cannot be traded you must not deal in those company securities for the period specified in the notice.

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 or by giving "tips" to others with inside information.

The prohibition against insider trading applies at all times, including during periods that are outside a Prohibited Period.

This offence, called "insider trading", can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of illegal trading or being fined under civil penalty provisions.

2.2 What is inside information?

"**Inside Information**" is information relating to a company which is:

- (a) not generally available; and
- (b) if the information were generally available, would be likely to influence investors in deciding whether to buy or sell the company's securities.

Inside Information can include matters of speculation or supposition.

Examples of Inside Information include, but are not limited to, the following (assuming this information is not generally available):

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

2.3 When is information generally available?

Information is generally available if it:

- (a) consists of readily observable matter or deductions;
- (b) 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) 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:

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

3 TRADING DURING AND OUTSIDE PROHIBITED PERIODS

3.1 Prohibited Periods

During periods where the Company is preparing to update the market and price sensitive material is being prepared, the Company has prohibited periods (**Prohibited Periods**).

During Prohibited Periods, Designated Persons must not trade in the Company's securities except as provided below.

These Prohibited Periods are:

- (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; and
- (iv) any extension to a period referred to in this paragraph, and any additional period, as specified by the Board.

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

Designated Persons may only trade in the Company's securities during a Prohibited Period if:

- (a) an Exception applies (discussed in section 3.3 below); and
- (b) a Clearance has been obtained (discussed in section 3.4 below).

3.2 Trading Outside Prohibited Periods

Designated Persons may trade in the Company's securities outside the Prohibited Periods provided they do not breach Insider Trading Laws, obtain a Clearance and observe the restrictions in section 5 of this Policy.

3.3 Exceptions

Subject to compliance with Insider Trading Laws, this Policy does not apply to:

- (a) an acquisition of securities under an employee incentive scheme or dividend reinvestment plan operated by the Company;
- (b) an acquisition or disposal of securities under a takeover offer or corporate action open to all shareholders (e.g. pro-rata rights issue, share purchase plan or equal access buy-back);
- (c) dealings that result in no effective change to the beneficial interest in the securities (for example, transfers of securities already held into a superannuation fund or trust of which the Designated Person or Connected Person is a beneficiary);
- (d) trading under a pre-approved non-discretionary trading plan, where the Designated Person or Connected Person does not enter into the plan or amend the plan during a Prohibited Period, the plan does not permit the Designated Person or Connected Person to exercise any influence or discretion in relation to trading under the plan and the plan cannot be cancelled during a Prohibited Period, other than in exceptional circumstances.

All such dealings remain subject to the insider trading rules summarised in this Policy and prior written clearance.

Designated Persons may only make an application to join, withdraw from, or vary their participation in, any Company share plan (including withdrawing shares from a share plan trust) outside a Prohibited Period and may not do so if they possess inside information about the Company.

3.4 Clearance

- (a) Clearances during Prohibited Periods 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 advance of the trade and in writing (e.g. by exchange of emails) as set out below:

- (i) if the Designated Person is a member of key management personnel (being a Director or Executive) - clearance must be sought from the Chairman of the Board;
- (ii) all other Designated Persons – the Managing Director or CEO 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) The Company has the sole discretion to grant a Clearance which shall be determined on a case by case basis.
- (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.
- (f) A Clearance under this clause is not an endorsement of the proposed trade and it is the Designated Persons who are ultimately responsible for ensuring their dealings in securities comply with the applicable laws and the Policy.
- (g) Even if a Clearance has been granted, no person may deal in securities if in possession of inside information.

4 NOTIFICATION

All Directors must immediately advise the Company Secretary in writing when they buy or sell shares in the Company, so that the Company can inform ASX as required by law.

5 FURTHER RESTRICTIONS

5.1 Security Arrangements relating to Company securities

Designated Persons are not permitted to:

- (a) enter into finance arrangements involving the Company's securities as collateral, such as options, warrants, derivatives, futures or any other financial products issued over the Company's securities by third parties such as banks and other institutions; or
- (b) enter into transactions in products associated with the Company's securities which operate to limit the economic risk of their security holding in the Company (e.g. hedging arrangements) including Company securities held beneficially (including, for example, in trust or under any Company incentive plan) on the Designated Person's behalf.

They are not permitted to deal in the Company's securities pursuant to a margin lending arrangement, unless they have prior written clearance of the dealing in accordance with the procedure set out in section 3.4.

5.2 No short term or speculative trading

Designated Persons must not be engaged in short-term (less than 90 days) or speculative trading of Company securities at any time, unless a Clearance has been obtained.

5.3 **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.

5.4 **Confidentiality**

Designated Persons are also bound by a duty of confidentiality in respect of any third party's information which they obtain in the course of their duties.

6. **BREACH OF THIS POLICY**

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.

7. **FURTHER INFORMATION**

The Securities Trading Policy 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.

If you require any further information, or are uncertain about the application of the law or this trading policy in any situation, please contact the Chief Financial Officer.

Approved by the Board: 20 September 2018