

Appendix 4G

Key to Disclosures

Corporate Governance Council Principles and Recommendations

Name of entity

Lifestyle Communities Limited

ABN/ARBN

11 078 675 153

Financial year ended:

30 June 2021

Our corporate governance statement¹ for the period above can be found at:²

- These pages of our annual report:
- This URL on our website: <https://lifestylecommunities.com.au/investor-centre/>

The Corporate Governance Statement is accurate and up to date as at 30 June 2021 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.³

Date: 18 August 2021

Name of authorised officer
authorising lodgement: Melissa Norris

¹ "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

² Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

³ Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: www.lifestylecommunities.com.au/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

⁵ If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: www.lifestylecommunities.com.au/investor-centre</p> <p>and we have disclosed the information referred to in paragraph (c) in our Corporate Governance Statement</p> <p>and as we were included in the S&P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our Corporate Governance Statement;</p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre) and whether a performance evaluation was undertaken for the reporting period in accordance with that process in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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Corporate Governance Council recommendation	Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵	
PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: www.lifestylecommunities.com.au/investor-centre and the information referred to in paragraphs (4) and (5) in our 2021 Annual Report (available at www.lifestylecommunities.com.au/investor-centre)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our board skills matrix in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre) and, where applicable, the information referred to in paragraph (b): in our Corporate Governance Statement (noting that the information in paragraph (b) is not applicable for the reporting period; and the length of service of each director in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre)	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct on our website at www.lifestylecommunities.com.au/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy on our website at: www.lifestylecommunities.com.au/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy on our website at www.lifestylecommunities.com.au/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of the charter of the committee on our website at www.lifestylecommunities.com.au/investor-centre and the information referred to in paragraphs (4) and (5) in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

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PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy on our website at www.lifestylecommunities.com.au/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website and in our 2021 Annual Report at www.lifestylecommunities.com.au/investor-centre	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders in our Corporate Governance Statement	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period in our Corporate Governance Statement</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p>we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

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7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks and, if we do, how we manage or intend to manage those risk in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre)	<input type="checkbox"/> set out in our Corporate Governance Statement

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PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/> and we have disclosed a copy of the charter of the committee at: www.lifestylecommunities.com.au/investor-centre and the information referred to in paragraphs (4) and (5) in our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/> and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: in the Remuneration Report section of our 2021 Annual Report (available on www.lifestylecommunities.com.au/investor-centre)</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/> and we have disclosed our policy on this issue in our Securities Trading Policy available on www.lifestylecommunities.com.au/investor-centre and described further in our Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement OR <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <input checked="" type="checkbox"/> we are not an externally managed entity and this recommendation is therefore not applicable

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, ⁴ we have followed the recommendation in full for the whole of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: ⁵
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p> <p><input checked="" type="checkbox"/> we are not externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Statement

The Company is committed to implementing and maintaining good corporate governance practices. The Board of Directors of Lifestyle Communities Limited (“LIC” or “the Company”) is responsible for the corporate governance of the Company and its subsidiaries. The Board guides and monitors the business and affairs of LIC on behalf of the Shareholders by whom they are elected and to whom they are accountable.

This Statement outlines the main features of the Company’s corporate governance framework and governance practices, and the extent to which the Company has followed the recommendations of the fourth edition of the ASX Corporate Governance Council (the ASX Principles and Recommendations) during the 2021 financial year.

Principle 1 – Lay solid foundations for management and oversight

Corporate Governance Council Recommendation	Compliance	Disclosure
<p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>Complies</p>	<p>The Board is responsible for the overall corporate governance of the Company. The Company has a Board Charter which describes the roles and responsibilities of the Board. A copy of the Charter is available on the Company’s website http://lifestylecommunities.com.au/investor-centre/.</p> <p>The role of the Board is to oversee development of the long-term vision and strategy of the Group, and provide effective oversight of management while safeguarding the Company’s interest and fostering sustainable value creation.</p> <p>Matters reserved for the Board are set out in the Board Charter and Delegation of Authority, and include for example:</p> <ul style="list-style-type: none"> • reviewing and approving the strategic direction of the Company, ensuring that it is aligned with the Company’s purpose and long term vision, and monitoring its implementation; • overseeing the behavioural and cultural framework and practices of the Company; • approving and monitoring operating budgets, financial performance and major capital expenditure; • overseeing the integrity of the Company’s financial reporting and management of debt facilities; • overseeing the Company’s risk management strategy and approval of the risk management framework, internal controls and compliance to manage material business risks; • selecting, appointing, and where necessary removing, the Managing Director; • approving and reviewing delegations of authority and authority limits; • reviewing Board composition and performance and appointing committees to assist in the oversight of the Company.

			<p>The Board has delegated the day to day management of the business of the Group to Management through the Managing Director and the Chief Financial Officer, subject to agreed authority limits and specific reserve matters set out in the Delegation of Authority. The Board has reserved for itself matters of a strategic, sensitive or extraordinary nature or which exceed the authority limits of Management.</p> <p>The Chair is primarily responsible for facilitating effective Board meetings by encouraging contribution from all Directors and by promoting constructive and respectful relations between management and the Board.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Complies	<p>The Board is responsible for ensuring it is comprised of individuals who are best able to discharge the responsibilities of Directors having regard to the law and the best standards of governance. Vetting is undertaken before new Directors are appointed, elected or re-elected to the Board to ensure they are appropriate candidates. This includes background checks, such as for bankruptcy.</p> <p>For the election or re-election of Directors at Annual General Meetings, the notice of meeting sets out for shareholders all material information on candidates, including details of qualifications, experience and any other directorships. The Directors' Report of the Annual Report for the year ended 30 June 2021 also sets out the special responsibilities of the Board Members.</p> <p>Background checks are undertaken prior to an offer being made for Senior Executives.</p>
1.3	<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Complies	<p>The Company has a written agreement with each Director and senior executive clearly outlining the terms of their appointment.</p> <p>For Non-Executive Directors, the agreement includes the Company's expectations concerning involvement with individual committees, remuneration, circumstances under the Company's Constitution in which a Director's office becomes vacant, indemnity and insurance arrangements, access to corporate information, confidentiality and a requirement to comply with Company policies.</p> <p>For the Managing Director and senior executives, the agreement includes similar material (where relevant) as well as a description of the position, roles and responsibilities, the term of appointment, resignation and termination processes, and entitlements on resignation or termination. Further details of the key terms for the employment agreements for the Managing Director and senior executives are set out in the Remuneration Report found in the Annual Report.</p>
1.4	<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Complies	<p>Each Company Secretary is appointed by the Board and has a direct reporting line to the Chair of the Board to ensure that the Board and its committees function efficiently and effectively. The responsibilities of the Company Secretary include advising on governance matters such as Board and committee policies, supporting meetings by preparing agendas and minutes, and communicating with ASIC and the ASX.</p>

<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>A. the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</p> <p>B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>Complies</p>	<p>The Company values diversity and recognises the value of attracting and retaining Employees with diverse backgrounds, knowledge, experience and abilities. Embracing such diversity contributes to better performance due to the many benefits arising from diversity, including:</p> <ul style="list-style-type: none"> • A broader pool of employees: Accepting diversity in recruitment and advancement increases the available labour pool for selection; • Accessing different perspectives and ideas: Engaging persons from diverse backgrounds enables different approaches to problem solving and decision making; and • Improving efficiency and retention: Engaging workplace diversity and inclusion will foster a culture whereby persons from different backgrounds are valued, providing motivation for increased retention and productivity. <p>The Company has developed a Diversity Policy, which is available on the Company's website http://lifestylecommunities.com.au/investor-centre/ .</p> <p>The Company supports diversity in its workforce by:</p> <ul style="list-style-type: none"> • Treating all Employees fairly and with respect and dignity. • Actively promoting a working environment that values diversity and is inclusive of differences. • Implementing recruitment practices to ensure that applicants and Employees of all backgrounds are encouraged to apply for, and have fair opportunity to be considered for, all available roles. • Ensuring that the Group's policies encourage diversity and inclusion to address specific barriers to groups of Employees, such as those with domestic responsibilities, by making reasonable provision for the special needs of these Employees. For example, by offering flexible working arrangements, parental leave and other leave standards, and recognising and rewarding innovative strategies to accommodate diverse groups within the workforce. • Providing development opportunities for Employees from all backgrounds equally to prepare them, over time, for opportunities in senior management. • Setting, reviewing and reporting annually on measurable objectives. • Complying with all anti-discrimination and equal opportunity legislation. <p>Gender diversity is of particular importance to Lifestyle Communities as over 40% of homes are occupied by single females and over 60% of homeowners are female. It is the Group's policy to have 50% female representation on the Board.</p> <p>Lifestyle Communities has developed targets for female representation in the leadership team and across the team as a whole which are designed to reflect an appropriate gender balance that best supports the Lifestyle Communities customer.</p>
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The targets, and the Group's progress toward meeting them are presented below:

Employee Group	Target	Actual at 30 June 2021
Board	50% female, 50% male	50% female, 50% male
Executive Team	40-60% either gender	37% female, 63% male
Entire Workforce	40-60% either gender	67% female, 33% male

In addition, through its team development program, Lifestyle Communities is able to identify emerging leaders who show high leadership potential. Emerging leaders are given focused training and mentoring to accelerate their cultural and business leadership capabilities. The pool presently comprises 67% women and 33% men, helping to secure a strong pipeline for the future.

The Company regularly reviews its objectives to ensure that they remain relevant and appropriate in the Company's context.

The Company is a relevant employer under the Workplace Gender Equality Act and has lodged a report for the FY21 reporting period.

1.6 A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Complies

The Company has an informal internal evaluation process for Board and committee performance which focuses on the role of the Board and Committees, their size and composition, the procedures and practices of the Board and meeting arrangements. The evaluation also includes an assessment of the future requirements of the Board and its committees in relation to the skills and experience required to ensure that composition is appropriate for the needs of the Company. Reviews and evaluation are conducted at least annually. Individual Non-Executive Director performance is assessed by the Chair informally to ensure that the Director continues to operate effectively within the Board. This may involve discussions with the Director and with other members of the Board, and considering the Director's:

- skills, experience, performance and contributions to the Board, committees and other aspects of the Company;
- degree of independence; and
- availability to attend and prepare for Board and committee meetings.

A performance evaluation was undertaken for the Board and each standing committee during this reporting period.

1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period;</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Complies	<p>The Company has an on-going evaluation process for senior management. The Remuneration and Nominations Committee and Managing Director set performance objectives for senior executives necessary to achieve the strategic objectives of the Company. Performance of senior executives is assessed annually by the Managing Director.</p> <p>A performance evaluation was undertaken during the reporting period.</p>
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Principle 2 – Structure the board to add value

<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	Complies	<p>In FY21, the Board added nominations support activities to the remit of the Remuneration Committee (renaming it Remuneration and Nominations Committee), to assist the Board with its function in determining Board composition and membership.</p> <p>The Remuneration and Nominations Committee currently consists of the following members, The Honourable Nicola Roxon, David Blight and Philippa Kelly, all of whom are considered Independent, Non-Executive Directors.</p> <p>The Chair of the Remuneration and Nominations Committee is The Honourable Nicola Roxon who is not the Chair of the Board.</p> <p>Details of the number of Remuneration and Nominations Committee meetings and attendance at those meetings are set out in the Directors' Report.</p> <p>The Remuneration and Nominations Committee Charter is available on the Company's website http://lifestylecommunities.com.au/investor-centre/.</p> <p>The Company maintains a formal skills matrix which it uses as a tool to consider Directors' attributes prior to future appointments.</p> <p>The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings in FY21 is included in the Directors' Report. The Board has an extensive range of knowledge and skills with relevant experience as detailed in the Annual Report.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Complies	<p>The Company has a formal skills matrix, which is disclosed in the Annual Report.</p>

2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Complies	<p>The Board assesses independence at least annually. The Board considers Philippa Kelly, The Honourable Nicola Roxon, Georgina Williams, Mark Blackburn and David Blight as Independent Non-Executive Directors, being the majority of members of the Board. Details of their qualifications, experience and length of service are set out in the Directors' Report of the Annual Report.</p> <p>None of the aforementioned Non-Executive Directors have an interest, position, association or relationship of the type described in item 2.3 of the ASX Principles and Recommendations.</p>
2.4	A majority of the board of a listed entity should be independent directors.	Complies	The Board considers Philippa Kelly, The Honourable Nicola Roxon, Georgina Williams, Mark Blackburn and David Blight as Independent Non-Executive Directors, being the majority of members of the Board.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complies	The Chair of Lifestyle Communities is Philippa Kelly and is considered to be independent. James Kelly (no relation) is the Managing Director of the Company.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complies	<p>The Board has an induction program for newly-appointed Non-Executive Directors. This provides orientation including written materials, briefings, training on accounting principles (where appropriate), site visits and educational opportunities designed to make them familiar with the Company and better equipped to perform their duties. This seeks to build an understanding of the Company's business, the markets in which it operates, customers, suppliers, employees and community residents.</p> <p>Throughout the year, Directors received market briefings and expert presentations organised around Board meetings. Directors were also encouraged to attend external director education programs to develop and maintain their skills and knowledge.</p>

Principle 3 – Instil a Culture of Acting lawfully, ethically and responsibly

3.1	A listed entity should articulate and disclose its values.	Complies	<p>The Company values seek to enable the business to support its homeowners and operate ethically, responsibly and responsively.</p> <p>A list of the Company values is visible on the Company’s website: http://lifestylecommunities.com.au/investor-centre/</p>
3.2	<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	Complies	<p>The Company recognises that its reputation is one of its most valuable assets to build long-term value for its shareholders. The Company has a Code of Conduct which applies to its Directors, senior executives and employees.</p> <p>The Company is committed to promoting and maintaining a high standard of corporate ethics and business integrity. As stated in the Company's Code of Conduct, all Directors, senior executives and employees must act with integrity and professionalism and be scrupulous in the proper use of Company information, funds, equipment and facilities. Directors, senior executives and employees are to exercise fairness, equity, proper courtesy, consideration and sensitivity in dealing with customers, employees and other stakeholders.</p> <p>The Code of Conduct is a detailed statement concerning:</p> <ul style="list-style-type: none"> • responsibilities of all Directors, senior executives and employees; • practices to promote the best interests and reputation of the Company; • confidentiality; • Company property; • conflicts of interests; • public statements; • policies for preventing the acceptance or offering of bribes or other forms of unlawful or unethical payments or inducements; • measures to encourage the reporting of unlawful or unethical behaviour; • compliance; and • breaches of the Code. <p>The Code of Conduct encourages the reporting of unlawful and unethical behaviour and protects whistleblowers. Any employee who makes a complaint and complies with the reporting process will not be disadvantaged or prejudiced in any way. All complaints are treated as confidential. Directors, senior executives and employees can report straight to the Managing Director, Company Secretary or the Chair of the Audit Committee if they believe their immediate supervisor may be implicated.</p>

			<p>Directors, senior executives and employees must avoid any personal, financial or other interest that may conflict with their duties and responsibilities to the Company. Any interest that may constitute a conflict of interest must be promptly disclosed to the Managing Director, Company Secretary or the Chair of the Audit Committee.</p> <p>The Board has established a reporting framework through which it is informed of material breaches of policy.</p>
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	Complies	<p>Company has a Whistleblower Policy in line with regulatory requirements, to provide an avenue for employees and contractors to report matters of concern about the business via a confidential process. The Board is informed of any material incidents reported under that policy.</p> <p>A copy of the Policy is available on the Company's website http://lifestylecommunities.com.au/investor-centre/</p>
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</p>	Complies	<p>Company has developed an Anti-bribery and Corruption Policy which shows its commitment to ensuring that the business operates within a legal and ethical framework. The Board is informed of any material breaches reported under that policy.</p> <p>A copy of the Policy is available on the Company's website http://lifestylecommunities.com.au/investor-centre/</p>

Principle 4 – Safeguard integrity in corporate reporting

4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> 1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2. is chaired by an independent director, who is not the chair of the board; <p>and disclose:</p> <ol style="list-style-type: none"> 3. the charter of the committee; 4. the relevant qualifications and experience of the members of the committee; and 5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	Complies	<p>The Company has an Audit Committee that currently consists of the following members; Mark Blackburn, Philippa Kelly, and Georgina Williams, who are considered Independent, Non-Executive Directors. All three Committee members have and maintain very good financial literacy. Further information on their skills, qualifications and experience are set out in the Directors' Report of the Annual Report.</p> <p>The Chair of the Audit Committee is Mark Blackburn who is not the Chair of the Board. Details of the number of Audit Committee meetings and attendance at those meetings are also set out in the Directors' Report.</p> <p>The Audit Committee has adopted a formal Charter, which is available on the Company's website http://lifestylecommunities.com.au/investor-centre/. The Charter sets out the Audit Committee's composition, responsibilities and powers to ensure the adequacy of the Company's financial reporting. The Audit Committee oversees the Company's internal financial controls and the appointment of the external auditor. The Audit Committee will consider matters relevant to the preparation of the Company's Financial Statements for approval by the Board. It also monitors the external auditor's ongoing independence, effectiveness and scope of work, as well as the rotation of the audit engagement partner. The Audit Committee may seek advice from external consultants or specialists where it considers necessary.</p> <p>The external auditor, Pricewaterhouse Coopers, was appointed in November 2019 and was selected based on having the necessary skills, objectivity and independence. This appointment is reviewed by the Board annually. The Company's policy on audit rotation requires the partner managing the audit for the external auditor be changed within a period of five years.</p> <p>The Company's external auditor is invited to attend meetings of the Audit Committee when appropriate, including meetings without management being present.</p>
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4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	<p>As part of the Company's financial assurance processes, the Directors receive a declaration from the Managing Director and the Chief Financial Officer before approving Financial Statements for a full year or half year period.</p> <p>The declaration confirms to the Directors that, in the opinion of the Managing Director and the Chief Financial Officer:</p> <ul style="list-style-type: none"> • the Company's financial records have been properly maintained in accordance with the Corporations Act; • the Financial Statements and the notes for the financial period or year comply with the accounting standards and give a true and fair view of the financial position and performance of the Company; and • the declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Complies	The Company does not release unaudited periodic corporate reports to the market.

Principle 5 – Make timely and balanced disclosure

5.1	(a) A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Complies	<p>The Company has adopted a Communications and Continuous Disclosure Policy and procedures are in place to ensure that items which require announcement to the ASX are promptly notified to relevant parties for approval.</p> <p>The full Policy is available on the Company's website http://lifestylecommunities.com.au/investor-centre/.</p> <p>The Company takes the spirit of its continuous disclosure obligations seriously and issues market releases during the year to satisfy these obligations. All ASX announcements are available on the Company's website.</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complies	<p>The Board approves all material market announcements prior to lodgement, and is advised of their lodgement soon after.</p>
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Complies	<p>Investor presentations are provided (at least) twice yearly and lodged with the ASX Market Announcement Platform prior to presentation to investors and/or analysts.</p>

Principle 6 – Respect the rights of security holders

6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	<p>The Company's website is one of the Company's key communication tools. The Company uses its website, annual report, market disclosures and media announcements to communicate with its shareholders, as well as encourages participation at general meetings.</p> <p>The Company endeavours to keep the website up-to-date and accurate to provide information about the Company's performance and governance to investors. The Company values transparency in all areas of operations and understands that quality disclosure can foster the trust and confidence of shareholders and investors.</p> <p>The Company encourages shareholders to take an active interest in the Company, and publishes information about the Company's history, current projects and corporate structure.</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	<p>The Managing Director, James Kelly and the Chief Financial Officer and Joint Company Secretary, Darren Rowland, generally deal with analysts, investors, media and other stakeholders, taking account of regulatory guidelines including those issued by the ASX on continuous disclosure.</p> <p>Presentations for the 30 June and 31 December results and other presentations are sent to the ASX and are available promptly on the Company's website. Presentations comprising face to face and videoconference delivery (where possible) are held in respect of the 30 June and 31 December results on the afternoon of the release.</p> <p>The Company is committed to:</p> <ul style="list-style-type: none"> • ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, ASX releases, general meetings and the Company's website; • arranging a videoconference and in person delivery (where possible) in respect of the 30 June and 31 December presentations conducted on the afternoon of the release; • actively responding to shareholder's direct enquiries; • complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act in Australia; and • encouraging shareholder participation at general meetings. <p>The Company's Communications and Continuous Disclosure Policy is available on the Company's website http://lifestylecommunities.com.au/investor-centre/</p>

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	<p>The Annual General Meeting allows the Company to provide shareholders with a greater understanding of the Company’s operations, governance, performance and prospects, and gives shareholders the opportunity to raise questions or concerns.</p> <p>Shareholders are invited throughout the meeting to ask questions of the Company and auditor.</p>
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Complies	<p>The Annual General Meeting of shareholders held in November 2020 was conducted as a virtual meeting in line with government advice regarding the Covid-19 pandemic.</p> <p>Resolutions of security holders were decided by poll using online technology.</p> <p>There were no other meetings of security holders held during the FY21 financial year.</p>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	<p>The Company recognises the timeliness, convenience and environmental advantages of electronic communication. Shareholders have the option of communicating with the Company electronically. Shareholders who wish to update their communication preferences should contact the Company’s share registry.</p>

Principle 7 – Recognise and manage risk

7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, <p>and disclose</p> <ol style="list-style-type: none"> (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	Does not comply	<p>The Company considers risk management as a core principle of sound corporate governance. The Company recognises the importance of managing risk and controlling its business activities in a manner which enables it to protect established value, identify and capitalise on opportunities to create value, enhance resilience to external events and avoid or reduce risks which may cause injury or loss.</p> <p>In view of its size and operational structure, the Board considers that it is able to oversee the Company's risk management framework efficiently and effectively without establishing a risk committee. The Company reviews this position periodically.</p> <p>Responsibility for risk identification, monitoring and management is allocated between the Board and Management, as set out in the Board Charter. The Board is responsible for oversight and monitoring of the Company's risk management and control framework and receives monthly and quarterly reports from Management on risk matters.</p> <p>Management undertakes ongoing review of the risk management procedures to ensure that the Company complies with its legal obligations and that the Board, and ultimately shareholders, can take comfort that an appropriate system of checks are in place in areas of financial and operational risk.</p> <p>The Company's risk management processes and systems include:</p> <ul style="list-style-type: none"> • robust planning and budgeting process providing a long-term financial model that enables the Board to review timely financial forecasts as well as analyse future opportunities and sensitivities. The Board also receives regular forecasts in relation to the liquidity of the business; • comprehensive site selection process that requires Board approval of any acquisition case prior to any land acquisition. The Board is then notified and approves any changes (positive or negative) to the acquisition case prior to the commencement of construction; • a system of delegated authorities that cascades authority levels for expenditure and commitments from the Board, the delegation to the Managing Director and further cascading of authorities from the Managing Director to the rest of the organisation; • maintaining insurance cover appropriate to the size and nature of the Company's operations to reduce the financial impact of any significant insurable losses; • maintaining a risk register which identifies the material risks facing the Company and which is regularly reviewed and updated by both Management and the Board. This includes providing a risk rating, assessment of the key controls in place to manage the risk, relationship to risk tolerances set by the Board, and the person(s) responsible for implementing and reviewing controls; and • all members of the senior management team report to the Board on financial and non-financial matters and meet with the Board at least 6 monthly.
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7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Complies	<p>A formal risk management framework has been developed and endorsed by the Board and provides the framework for the reporting and monitoring of material risks across the Company. The framework is accompanied by risk tolerances approved by the Board and a risk register which identifies specific risks at an operational and strategic level.</p> <p>The risk management framework, risk register and risk tolerances are reviewed throughout the year by the Board, Board Committees and Management. The Board’s assessment of risk includes consideration of contemporary and emerging risks such as cyber-security, sustainability and climate change.</p> <p>The Company discloses its current material business risks to the market in the Director’s Report.</p> <p>Multiple reviews of the risk management framework were undertaken in FY21.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u></p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	Complies	<p>The Company does not have a formal internal audit function. In view of the size of the Company, such a function is not considered necessary or appropriate at this time. The Board review this position periodically.</p> <p>During the 2021 financial year the Company continued process improvements in relation to the following areas: governance and oversight by the Board, evolving the risk management framework, accounts payable and purchase order systemisation; new payroll and HR management systems; fixed assets reporting; and monthly reporting processes. These systems are anticipated to be continuously improved on an ongoing basis.</p> <p>The Management Team works closely with the Board to identify and manage governance, operational, financial and compliance risks which could prevent the Company from achieving its objectives.</p> <p>In addition to monthly governance, risk and controls reporting and the escalation of material matters, a headline risk report addressing business activities across all material heads of risk is provided to the Board quarterly, through which the efficacy of existing processes and controls are able to be identified and discussed.</p> <p>The Board also actively encourages the External Auditor to raise internal control issues and improvement opportunities, and oversees management’s timely remediation thereof.</p>

7.4	A listed entity should disclose whether it has any material exposure to economic, environmental or social risks and, if it does, how it manages or intends to manage those risks.	Complies	<p>The Company was created with a clear focus to be socially, morally and ethically responsible. The Company's risk register identifies economic, environmental and social risks for the Company at an operational and strategic level, and key risks are reported in the Directors' Report.</p> <p>Across its decision making activity, the Board has regard to economic, environmental and social risks. It does so by considering:</p> <ul style="list-style-type: none"> • which issues are important to the sustainability of the Company's business; • how those issues are and could be addressed; and • whether it is in the interests of the Company to adopt particular measures, having regard to the opportunity and value generated by the measure, materiality of the risk addressed and the likely costs of doing so or failing to do so. <p>In FY21, the Company undertook a formal materiality assessment of its ESG risk environment to ensure that appropriate attention was being given to the most material business risks. The Company further commissioned a climate change risk assessment of its operational sites to better understand this emerging risk area, details of which have been described in the Directors' Report.</p> <p>The Company's risk analyses are integrated into the annual planning and budget approval process, when setting the Company's strategy and when considering significant transactions. At all times, the Board ensures that it acts in the best interests of the Company.</p>
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Principle 8 – Remunerate fairly and responsibly

8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Complies	<p>The Company has a remuneration committee that currently consist of the following members, The Honourable Nicola Roxon, David Blight and Philippa Kelly, who are considered Independent, Non-Executive Directors.</p> <p>In FY21, the remit of the remuneration committee was extended to include board nominations support, and was renamed the Remuneration and Nominations Committee.</p> <p>The Chair of the Remuneration and Nominations Committee is The Honourable Nicola Roxon who is not the Chair of the Board.</p> <p>Details of the number of Remuneration and Nominations Committee meetings and attendance at those meetings are set out in the Directors' Report.</p> <p>The Remuneration and Nominations Committee has adopted a formal Charter which is available on the Company's website http://lifestylecommunities.com.au/investor-centre/. The Charter sets out the Remuneration and Nominations Committee's responsibilities including oversight and approval of the human resources and remuneration policies and practices of the Company. The Remuneration and Nominations Committee may seek advice from external consultants or specialists where it considers necessary.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	Complies	<p>Details of remuneration of Directors, the Managing Director and senior management are included in the Remuneration Report section of the Annual Report.</p>

8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Complies	<p>The Company offers an Employee Share Incentive scheme to support the alignment of the interests of employees with those of shareholders. Details of the scheme are included in the Remuneration Report section of the Annual Report.</p> <p>The Company has a Securities Trading Policy for dealing in securities and Directors and employees must not create, enter into or deal in derivatives, a derivative arrangement or margin calls in relation to Company securities at any time. The policy is regularly reviewed and updated to ensure it meets current regulatory requirements.</p> <p>A copy of the Securities Trading Policy for dealing in securities is available on the Company's website http://lifestylecommunities.com.au/investor-centre/.</p>
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Unless otherwise indicated, LIC's corporate governance practices were in place for the end of financial year as at 30 June 2021 and to the date of signing the Directors' Report.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, refer to our website <http://lifestylecommunities.com.au/investor-centre/>