

23 October 2017

2017 Notice of Annual General Meeting and General Meeting of Gateway Lifestyle Group

In accordance with Listing Rule 3.17.1, please find attached the Notice of Meeting and Proxy Form in relation to the Gateway Lifestyle Group Annual General Meeting and General Meeting, to be held on Tuesday 28 November 2017.

The NOM and Proxy Form will be despatched to securityholders today in accordance with their elections.

These documents are provided as an attachment to this announcement and are also available on the Group's website at www.gatewaylifestyle.com.au.

For additional information, please contact:

Investor Relations:

Stephanie Ottens T: +612 8818 9617

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Notice is hereby given that the Annual General Meeting (Annual General Meeting or AGM) of shareholders of Gateway Lifestyle Operations Limited ACN 605 543 968 (Company) will be held in conjunction with a General Meeting of unitholders of Residential Parks No.2 Trust ARSN 605 803 414 (Trust) (together, Gateway Lifestyle Group or the Group) on:

Date:

Tuesday 28 November 2017

Time:

11:00am AEDT

Location:

Level 3, 7-9 Irvine Place, Bella Vista, NSW

Notice of 2017 Annual General Meeting

Gateway Lifestyle Group

Gateway Lifestyle Group 2017 AGM

Voting

You can now lodge your voting intentions by scanning the QR code on the proxy form or by logging in to www.linkmarketservices.com.au using the holder number and postcode for your securityholding. Further details on voting are outlined on page 4.

Securityholder questions

Gateway Lifestyle Group is committed to providing all securityholders with an opportunity to ask questions in advance of the meeting. In order to achieve this, Gateway Lifestyle Group encourages all securityholders to take advantage of the opportunity to submit questions using the enclosed securityholder question form. All questions (including questions to Gateway Lifestyle Group's auditors) should be received by no later than **11.00am (AEDT) on Sunday, 26 November 2017**.

Attending the meeting

The meeting will be held at **11.00am (AEDT) on Tuesday 28 November 2017** at Level 3, 7-9 Irvine Place, Bella Vista (see map for details on location and parking) and will also be available via audio webcast at <https://edge.media-server.com/m6/p/fif4juio>.

2017 Annual Report

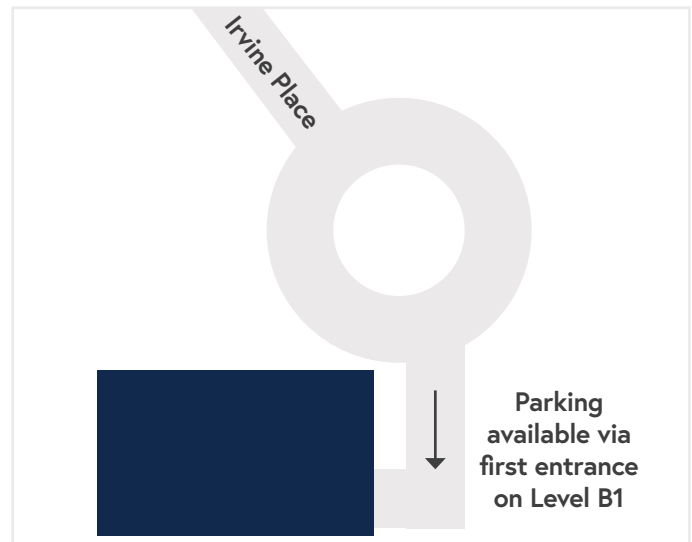
A copy of Gateway Lifestyle Group's Annual Report (including Financial Report, Directors' Report and Auditor's Report and Corporate Governance Statement) is accessible from Gateway Lifestyle Group's website at investor.gatewaylifestyle.com.au/investor-centre

Registration

Registration will commence from 10.00am on Tuesday 28 November 2017. For ease of registration please bring your proxy form to the meeting.

Further information

Securityholders with any queries should contact our registry manager, Link Market Services, on 1300 554 474 between 9.00am and 5.00pm (AEDT) on business days before Friday 24 November 2017.



Level 3, 7-9 Irvine Place, Bella Vista

Items of Business

1. Annual Financial Report, Directors' Report and Auditor's Report – Company and Trust

To receive and consider Gateway Lifestyle Group's Financial Report for the year ended 30 June 2017 and the reports of the Directors and the Auditor as set out in the 2017 Annual Report.

Note: There is no requirement for securityholders to approve these reports.

2. Adoption of the Remuneration Report – Company only

To consider, and if thought fit, pass the following non-binding resolution as an ordinary resolution of the Company: "That the Remuneration Report for the year ended 30 June 2017 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Chairman intends to vote all available proxies in favour of this resolution.

3. Re-election of Director – Company only

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

"That Andrew Love who retires by rotation in accordance with the Constitution of the Company and being eligible, be re-elected as a Director of the Company".

The Chairman intends to vote all available proxies in favour of this resolution.

4. Capital Reallocation Amendment – Company only

To consider, and if thought fit, pass the following resolution as a special resolution of the Company:

"That the Constitution of the Company be amended by inserting the following paragraph as a new rule 2.11:

2.11 'Capital Reallocation

(a) If at any time, a Stapled Entity makes a capital payment to the company as a capital reallocation amount:

(1) each member is taken to have directed the company to accept that capital reallocation amount; and

(2) the company must apply that amount as an additional capital payment in respect of each Share that is Stapled to a Security of the Stapled Entity making the capital payment equally in respect of each Share.

(b) Subject to the Act and the Listing Rules, the company may at anytime make a capital payment to another Stapled Entity as a capital reallocation amount provided that:

(1) the constitution of the Stapled Entity contains provisions to the effect of those in rule 2.11(a); and

(2) the Board is satisfied that the capital payment will be applied as an additional capital payment in respect of each Attached Security to which a Share is Stapled equally."

The Chairman intends to vote all available proxies in favour of this resolution.

5. Approval of FY18 Long Term Incentive grant to the CEO, Trent Ottawa – Company and Trust

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

"That for the purposes of ASX Listing Rule 10.14, and for all other purposes, securityholders approve the grant of Security Rights to Trent Ottawa under the Gateway Lifestyle Group Equity Incentive Plan as his FY18 long term incentive award on the terms described in the Explanatory Notes to this Notice of Annual General Meeting."

The Chairman intends to vote all available proxies in favour of each of these resolutions.

VOTING EXCLUSION STATEMENTS

Item 2 Adoption of Remuneration Report

The Company will disregard any votes cast on Item 2:

- by or on behalf of a member of the Key Management Personnel of the Company (KMP), details of whose remuneration are included in the Remuneration Report, or a closely related party of those persons, regardless of the capacity in which the vote is cast; or
- as proxy by a member of the KMP at the date of the AGM or a closely related party of those persons,

unless the vote is cast as proxy for a person who is entitled to vote on Item 2:

- in accordance with a direction on the proxy form; or
- by the Chair of the meeting in accordance with an express authorisation to exercise the proxy even though the item is connected with the remuneration of KMP

Item 5 Approval of FY18 Long Term Incentive grant to the CEO, Trent Ottawa

The Company and the Trust will disregard any votes cast on Item 5:

- by or on behalf of Trent Ottawa or any of his associates; or
- as proxy by a member of the KMP at the date of the AGM or a closely related party of those persons,

unless the vote is cast as proxy for a person who is entitled to vote on Item 5:

- in accordance with a direction on the proxy form; or
- by the Chair of the meeting in accordance with an express authorisation to exercise the proxy even though the item is connected with the remuneration of KMP.

Information for Securityholders

INFORMATION FOR SECURITYHOLDERS

This Notice of Annual General Meeting should be read in conjunction with the attached Explanatory Notes. The Explanatory Notes form part of this Notice of Annual General Meeting.

Shares in Gateway Lifestyle Operations Limited are stapled to Units of the Residential Parks No. 2 Trust and are jointly quoted on the ASX as Gateway Lifestyle Group.

VOTING ENTITLEMENTS

For the purposes of determining voting entitlements at the AGM, the Directors have determined that securities will be taken to be held by persons registered as securityholders of Gateway Lifestyle Group at **7pm (AEDT) on 26 November 2017**. Security transfers recorded after that time will be disregarded in determining entitlements to attend and vote at the AGM.

PROXIES

Each securityholder who is entitled to attend and vote at the AGM may appoint not more than two proxies to attend and vote at the AGM on the securityholder's behalf. A proxy need not be a securityholder of Gateway Lifestyle Group, and may be either an individual or a body corporate.

Where two proxies are appointed by a securityholder, the securityholder may specify the proportion or number of votes which each proxy is entitled to exercise on a poll. If the appointment does not specify the proportion or number of securityholder's votes, each proxy may exercise half of the votes on a poll.

CORPORATE REPRESENTATIVES

A body corporate which is a securityholder or the proxy of a securityholder may appoint an individual as its representative to exercise all or any of its powers that it could exercise at the AGM. The representative should bring to the meeting original documentation evidencing his or her appointment, including any authority under which the appointment is signed.

PROXY DEADLINE

A Proxy Form and, if the Proxy Form is not signed by the securityholder, the power of attorney or other authority (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority), must be received at least 48 hours before the time for holding the AGM – that is, by **11am (AEDT) on 26 November 2017**.

Securityholders may lodge their proxy appointment online at www.linkmarketservices.com.au or by completing the enclosed Proxy Form and returning it as directed. Instructions on how to appoint a proxy are detailed on the back of the Proxy Form. Proxies may be lodged online or returned by mail to Gateway Lifestyle Group c/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, or by fax on + 61 2 9287 0309.

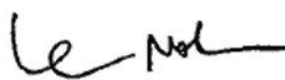
FURTHER INFORMATION

Further information concerning each item of business is set out in the Explanatory Notes.

All items of business will be determined by poll.

By the authority of the Boards of Gateway Lifestyle Operations Limited and One Managed Investment Funds Limited (as responsible entity for the Residential Parks No.2 Trust).

Dated 23 October 2017



Leanne Nolan
Company Secretary

Explanatory Notes

ITEM 1: ANNUAL FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT – COMPANY AND TRUST

This matter deals with the receipt and consideration of the Annual Financial Report, Directors' Report and the Auditor's Report for Gateway Lifestyle Group for the year ended 30 June 2017. The Annual Report has been made available to securityholders and is published on Gateway Lifestyle Group's website at www.gatewaylifestyle.com.au

The Chair will allow a reasonable opportunity for securityholders at the meeting to ask questions about or make comments on the financial statements and reports and the management of Gateway Lifestyle Group.

Securityholders will be given a reasonable opportunity to ask a representative of the auditor of Gateway Lifestyle Group questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by Gateway Lifestyle Group in relation to the preparation of the financial report and the independence of the auditor in relation to the conduct of the audit.

No resolution is required to be moved in respect of this item of business.

ITEM 2: ADOPTION OF REMUNERATION REPORT – COMPANY ONLY

Section 250R(2) of the Corporations Act requires that a resolution that the Remuneration Report be adopted must be put by way of a non-binding vote at the Annual General Meeting of the Company. The Remuneration Report for the financial year ended 30 June 2017 is set out on pages 20 to 29 of the 2017 Annual Report which can be found at the Group's website.

During the meeting, there will be a reasonable opportunity for securityholders to ask questions about, or make comments on, the Remuneration Report.

Recommendation: *The Directors unanimously recommend that securityholders vote in favour of adopting the Remuneration Report.*

ITEM 3: RE-ELECTION OF ANDREW LOVE – COMPANY ONLY

ASX Listing Rule 14.5 states that an election of directors must be held every year. In accordance with rule 8.1 of the Company's Constitution, Andrew Love will retire and submit himself for election.

Andrew Love was appointed to the Board on 15 May 2015 and has been the Chair since that time. The Board supports the re-election of Andrew Love and has assessed Andrew as independent. Brief biographical details of Andrew Love are set out below.

Andrew Love B.Comm, FCA.

- Independent Chair
- Member of the Remuneration and Nomination Committee and of the Audit and Risk Management Committee

Andrew has over 36 years' experience in restructuring and corporate insolvency, with a particular focus on the mining sector. Andrew is currently a non-executive director of Champion Iron Limited and Scottish Pacific Group Ltd. Andrew has previously served on a number of boards including Riversdale Mining and Charter Hall Office Trust. Andrew was a partner at Ferrier Hodgson Chartered Accountants for over 25 years until 2008, when as a senior partner he retired and remains a consultant. Andrew is a member of both the Institute of Chartered Accountants in Australia and the Australian Institute of Company Directors. Skills and expertise that Andrew brings to the Board include expertise in the affordable living and commercial property market, financial reporting and risk management. He also brings substantial management, leadership and listed entity experience to the Board.

Recommendation: *The Directors (with Andrew abstaining) recommend that securityholders vote in favour of Andrew Love's re-election as a Director of the Company.*

ITEM 4: CAPITAL REALLOCATION AMENDMENT

The Company proposes to amend its Constitution (the Capital Reallocation Amendment), to enable capital to be reallocated between the Company and the Trust from time to time.

The Capital Reallocation Amendment will enable the Gateway Lifestyle Group to adjust capital levels between the Company and Trust by moving capital from the Trust to the Company or from the Company to the Trust. This allows the Gateway Lifestyle Group to manage the capital of the Company and Trust so that they reflect their respective underlying capital requirements, with the aim of enhancing returns to investors from the operations of the business over time.

Recommendation: *The Directors unanimously recommend that securityholders vote in favour of this resolution.*

Proposed capital reallocation

If the Capital Reallocation Amendment is approved, the Responsible Entity of the Trust proposes to make a capital distribution of \$0.30 for each unit (being approximately \$90.39 million in total) as a capital reallocation amount, and the Company will apply that capital reallocation amount pursuant to rule 2.11(a)(2) of the Company's Constitution as a capital payment in respect of the share stapled to that unit. No cash amounts will be received by securityholders, with the entire capital amount distributed in respect of each unit being applied towards the capital of the Share stapled to the relevant Unit.

Subject to obtaining the Class Ruling (referred to below), the capital reallocation is proposed to be implemented before 31 December 2017.

Implementation

The following steps will be taken to implement the proposed capital reallocation:

Step 1: Securityholders approve the Capital Reallocation Amendment to the Company's Constitution.

Step 2: ATO provides a Class Ruling (referred to below) confirming the tax implications of the capital reallocation.

Step 3: The Responsible Entity of the Trust makes a capital distribution of \$0.30 for each unit from the Trust, and this is applied as a capital payment in respect of each share stapled to each unit (or approximately \$90.39 million in total).

Step 4: Securityholders will be advised that the Capital Reallocation has occurred.

If these steps are fully implemented:

- Each securityholder will continue to hold the same number of securities.
- Securityholders will not be required to take any further action (apart from updating their own records to reflect the change).
- There will be no change to Gateway Lifestyle Group net asset value per security.
- The securities will continue to be quoted on the ASX on the same basis.

Purpose and benefits

The proposed capital reallocation will ensure an appropriate spread of capital across the entities in the Gateway Lifestyle Group. The reallocated capital will be used to repay existing loans that have been provided by the Trust to the Company, so that the Company has an appropriate amount of shareholder equity given the size and scale of the business the Company operates.

The capital reallocation will result in the Group's capital allocation being rebalanced such that approximately 10% will be in the Company, and 90% will be in the Trust. This allocation reflects the long term value split of the Group where the Trust owns the land and the Company carries on the trading operations. As a consequence, any future new equity will be able to be allocated more appropriately between the Company and the Trust.

The capital of the Gateway Lifestyle Group at 30 June 2017 was approximately \$620m and the approximate allocation of this capital was Company (0.0%) and Trust (100.0%). Following the implementation of the capital reallocation proposal, the aggregate capital of the Group will remain unchanged. However, the approximate allocation of this capital across the Company and Trust will change to Company (10%) and Trust (90%).

The following reasons outline why the Directors recommend that you vote in favour of the Capital Reallocation Amendment:

- The capital reallocation proposal will result in a balance sheet of the Company that provides a more desirable debt/equity mix for sustainable long term growth.
- The capital reallocation proposal will enable the Company to repay loans to the Trust, this will improve its profitability and provide the Company an opportunity to pay dividends to securityholders.
- The capital reallocation proposal will result in the total allocation of equity across the Group being more closely aligned with its strategy. The current capital allocation is no longer appropriate due to acquisitions and trading results since the Group listed on the ASX.
- If any future capital raisings are undertaken, equity will be more appropriately allocated between the Trust and the Company.

Financial impact

The reallocation of capital from the Trust to the Company will not have a material financial impact on securityholders, as each securityholder in Gateway Lifestyle Group currently holds one

share in the Company for each unit in the Trust that it holds. Therefore, the reduction in the value of a securityholder's units will be offset by a corresponding increase in the value in their shares.

The recapitalisation will have the following financial impact on the Gateway Lifestyle Group:

- It will result in a reduction in the subscribed capital in the Trust by \$90.39 million
- It will result in an increase in the subscribed capital of the Company by \$90.39 million

The overall cash and capital position of the Gateway Lifestyle Group on a consolidated basis will remain unchanged.

What if the Capital Reallocation Amendment is not approved?

If the Capital Reallocation Amendment is not approved, the return of the capital from the Trust will not occur and there will be no change to the capital structure of the Company and Trust. If this occurs, the Company will continue to have a deficiency of assets for the foreseeable future and will continue to require support from the Trust.

The Company may also require additional financial support from the Trust to fund potential growth opportunities.

If a capital raising is undertaken in the future, the capital will be allocated between the Company and the Trust on the basis of their relative fair values. At current levels approximately 100% of any capital raised would be allocated to the Trust and 0% to the Company. This will apply irrespective of whether the Company has a greater requirement for additional capital than the Trust.

Tax considerations

This section is a general summary of the Australian income tax implications arising to securityholders as a result of the proposed capital reallocation.

These comments are of a general nature only and do not constitute tax advice and should not be relied upon as such. Securityholders should obtain independent advice as to the taxation consequences to them of the proposed capital reallocation.

This summary is based on the provisions of the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth) (collectively the Tax Act) and Australian Taxation

Office (ATO) practice applicable as at the date of this document. This summary does not address the consequences that arise for securityholders that:

- hold their securities on revenue account or as trading stock; or
- that have made an election for taxation of financial arrangements (TOFA) purposes that affects the recognition of income in respect of securities.

Class Ruling

Gateway Lifestyle Group has lodged a Class Ruling request with the ATO for the benefit of securityholders to confirm the key taxation consequences of the proposed capital reallocation. The Class Ruling application seeks confirmation of the statements contained in this summary. Although it is not anticipated to be the case, the ATO may express a view contrary to that set out below.

If this resolution is passed, the Responsible Entity will update securityholders, on the ASX and Gateway Lifestyle Group website, of the progress of the Class Ruling as well as any decision to proceed with the proposed capital reallocation.

A copy of the Class Ruling will be made available to securityholders once it is issued.

Income

The capital distribution by the Trust should not be included in a securityholder's assessable income as ordinary income.

Cost base – Trust units

Under the proposed capital reallocation, the capital reallocation amount will give rise to an attribution managed investment trust (AMIT) cost base net decrease amount. A securityholder's cost base for their Trust units will be reduced by the lesser of their existing cost base, and the proportion of the capital reallocation amount referable to their units.

To the extent that the relevant proportion of the capital reallocation amount exceeds a securityholder's cost base for a Trust unit, the securityholder will make a capital gain equal to that excess. This capital gain will be disregarded if the securityholder is a non-resident and the Trust unit is not taxable Australian property. Where a securityholder has held the relevant unit for at least 12 months, the capital gain would be reduced by 50% (for Australian individuals and Australian trusts) or 33.33% (for Australian complying superannuation entities). A company

is not eligible to reduce its capital gain arising from the capital reallocation amount.

A non-resident is not entitled to the capital gains tax discount for capital gains accrued after 8 May 2012.

Generally, a securityholder's cost base in a Trust unit will be a proportion of the cost of acquisition of the security in which it is included, reduced by tax deferred distributions (for distributions relating to the 2016 and earlier income years) and AMIT cost base net decrease amounts (for distributions relating to the 2017 and later income years), and increased by AMIT cost base net increase amounts (for distributions relating to the 2017 and later income years) received by the securityholder since the time of acquisition.

The proportion of the overall cost of a security allocated to a Trust unit should be based on the relative Net Asset weighting of each entity at the time of acquisition. Details of historical issue prices and relative Net Asset weightings are set out on Gateway Lifestyle Group's website at www.gatewaylifestyle.com.au, in the Investor Centre.

Based on an analysis of the historical trading price of securities and previous tax deferred distributions and AMIT cost base net decrease amounts, Gateway Lifestyle Group considers it unlikely that securityholders would make a capital gain as a result of the proposed capital reallocation, although securityholders should seek their own tax advice to confirm this. However, all Securityholders will have their cost base in their Trust units reduced. As a result of AMIT cost base net decrease components of future distributions by the Trust, securityholders may make a capital gain at an earlier time than would have occurred, but for the proposed capital reallocation.

Cost base – Company shares

A securityholder's cost base for their Company shares should be increased by the relevant proportion of the capital reallocation amount. As no new shares will be issued by the Company, this will be an adjustment to the cost base of the existing shares.

For securityholders that do not make a capital gain on their Trust units (as discussed above), the decrease in the cost base of their Trust units should be equal to the increase in the cost base of their Company shares. Accordingly, the overall cost base of each security should remain the same.

If there are any securityholders that do make a capital gain on

their Trust units, the overall cost base of each security should increase by the amount of the gross capital gain (i.e., before the application of the CGT discount, if available). That is, a future capital gain on disposal of a security that would otherwise have been realised would be reduced by the amount of the capital gain resulting from the proposed capital reallocation.

Acquisition date

The proposed capital reallocation should not affect the date of acquisition of a securityholder's securities for tax purposes (including for determining whether the securities have been held for more than 12 months in order to access the CGT discount concession).

ITEM 5: FY18 LONG TERM INCENTIVE GRANT TO CEO, TRENT OTTAWA - COMPANY AND TRUST

The Company and Trust are seeking approval of securityholders for the grant of 296,736 rights to acquire securities in Gateway Lifestyle Group (**Security Rights**) to the CEO, Trent Ottawa, as his long-term incentive (**LTI**) remuneration for FY18, under the Gateway Lifestyle Group Equity Incentive Plan (**Plan**). A summary of the key features of the FY18 LTI grant to the CEO is provided below.

What instrument is being granted?

Security Rights, being rights to acquire fully paid ordinary stapled securities in Gateway Lifestyle Group (Securities) subject to meeting specified performance conditions.

The Board will have discretion to settle any Security Rights that vest in cash instead of Securities.

Because the proposed grant forms part of the CEO's remuneration for FY18, no consideration is payable upon grant, vesting or exercise of the Security Rights.

What is the performance period for the FY18 grant?

Three years commencing from the "base date". For the FY18 LTI grant, the "base date" is the release of Gateway Lifestyle Group's FY17 annual results on 30 August 2017.

When will the securities vest?

As soon as practicable following the end of the Performance Period;

- testing of the performance conditions will occur, with the Board determining if and to what extent the relevant performance conditions have been satisfied, and the number of Security Rights that will vest; and
- any vested Security Rights will become exercisable.

There is no retesting of Security Rights. Any Security Rights that do not vest at the end of the Performance Period will lapse.

What is the exercise period?

Up to 7 years from the grant date. If the CEO is still employed by the Gateway Lifestyle Group at the end of the exercise period, any vested security rights will automatically be exercised.

What performance conditions apply to the FY18 grant?

Security Rights will be divided into two equal tranches which will "vest" and become exercisable on satisfaction of the following performance conditions:

Tranche 1: Relative TSR (50%)

50% of the Security Rights are subject to a relative total securityholder return (TSR) performance hurdle (**Relative TSR Component**).

Vesting of the Relative TSR Component is subject to Gateway Lifestyle Group's TSR performance relative to the total securityholder returns of the ASX 200 Industrial Accumulation Index (**Index**).

Vesting of the Relative TSR Component will be determined at the end of the Performance Period as follows:

Gateway Lifestyle Group's TSR over the Performance Period	% of Relative TSR Component that Vests
Less than TSR of Index + 1% (compounded annually)	Nil
At TSR of Index + 1% (compounded annually)	50%
Between TSR of Index +1% (compounded annually) and TSR of Index + 5% (compounded annually)	Pro rata Vesting from 50% to 100% on a straight line basis
TSR of Index + 5% or greater (compounded annually)	100%

Calculating TSR

TSR is defined as the security price growth and dividends/ distributions paid and reinvested on the ex-distribution date for the relevant company (adjusted for rights, bonus issues, and any capital reconstructions or as otherwise considered by the Board or Remuneration and Nomination Committee to be appropriate).

Security prices will be calculated using the volume weighted average price (**VWAP**) of securities traded on the ASX over the 5 trading days prior to the start date and end date of the Performance Period.

Tranche 2: Distributable Earnings Growth (50%)

50% of the Security Rights are subject to a distributable earnings growth per security performance hurdle, which will be measured on a compound annual growth basis (**CAGR**) over the three years ended 30 June 2020 (**Distributable Earnings Component**). The distributable earnings growth metric has been chosen as it is intended to incentivise the sustainability of earnings performance over the long term

Vesting of the Distributable Earnings Component will be determined at the end of the Performance Period as follows:

Distributable Earnings Growth (CAGR)	% of Distributable Earnings Component that will Vest
Below threshold	Nil
At threshold	25%
Between threshold and maximum	Pro rata vesting from 25% to 100% on a straight-line basis
At maximum	100%

Calculating distributable earnings growth

The threshold and maximum Distributable Earnings Growth targets are commercially sensitive. However, the Board will include retrospective disclosure in the Group's Remuneration Report, outlining the relevant targets and actual vesting outcomes following the end of each Performance Period.

How was the proposed FY18 grant calculated?

The number of Security Rights to be granted to the CEO has been determined using the 'face value' methodology, that is by dividing an amount equal to 100% of the CEO's total fixed remuneration of \$600,000 by the VWAP for the five trading days following the release of the FY17 results. Based on this formula it is proposed to grant the CEO 296,736 Security Rights.

Treatment of distributions?

There are no rights to distributions or voting unless and until the Security Rights vest and Securities are allocated to the CEO. However, on exercise, the CEO will be entitled to receive a distribution equivalent payment in the form of additional Securities which is equivalent to the value of distributions that he would have received between "base date" for the grant and the exercise date if he had owned Securities over that period. The Board has a discretion to settle the distribution equivalent payment in cash instead of Securities.

Impact of cessation of employment?

Where the CEO resigns or is terminated for cause, unless the Board determines otherwise, all Security Rights will lapse. Where the CEO ceases employment in any other circumstances, unless the Board determines otherwise, a pro rata portion of the unvested Security Rights will remain on foot and be tested in the ordinary course.

What happens in the event of a change of control?

The Board may determine in its absolute discretion whether any or all of the Security Rights will vest, having regard to relevant considerations at the time. In the event the Board does not make a determination and an actual Change of Control occurs, the Security Rights will vest on a pro rata basis. Security Rights vesting on a change of control will be automatically exercised.

Does the Board have any discretion to clawback or change vesting outcomes?

In the event of fraud or gross misconduct or material financial misstatement, amongst other things, the Board may determine that unvested Security Rights and vested Security Rights that are not yet exercised will lapse, Securities allocated to the CEO are forfeited and cash amounts paid to the CEO (if any) are repayable to the Company as a debt.

Other information

- Trent Ottawa is the only director (or associate of a director) eligible to participate in this Plan.
- In accordance with approval obtained at the 2016 Annual General Meeting, 2,526,047 Security Appreciation Rights were issued to Trent Ottawa (at no cost).
- If approval is given under Listing Rule 10.14, approval will not be required under Listing Rule 7.1. This means that the Security Rights granted to Trent Ottawa and any securities issued pursuant to this approval will not use up part of the 15% placement capacity under Listing Rule 7.1.
- There is no loan in relation to the acquisition of securities under the Plan.
- If securityholder approval is obtained, the Security Rights will be granted to Trent after the AGM, but in any event within 12 months after the date of the AGM.

Recommendation: *The Directors (with Trent abstaining) unanimously recommend that securityholders vote in favour of Item 5.*

Head Office

Gateway Lifestyle Group

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Corporate Website

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Registered Office of OMIFL

Level 11, 20 Hunter Street, Sydney, NSW, 2000, Australia

Company Secretary

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Registry

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LODGE YOUR VOTE

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Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Gateway Lifestyle Group and entitled to attend and vote hereby appoint:

APPOINT A PROXY

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

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy:

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Gateway Lifestyle Group to be held at **11:00am on Tuesday, 28 November, 2017 at the Gateway Offices, Level 3, 7-9 Irving Place, Bella Vista, NSW, 2153 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Items 2 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, by signing and returning this form, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Items 2 and 5, even though the Items are connected directly or indirectly with the remuneration of a member of the Gateway Lifestyle Group's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


VOTING DIRECTIONS

Proxies will only be valid and accepted by Gateway Lifestyle Group if they are signed and received no later than 48 hours before the Meeting.

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

Items of Business

	For	Against	Abstain*
2 Adoption of Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Mr Andrew Love as Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Amendment to the Company Constitution for the Capital Reallocation Proposal.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of FY18 Long Term Incentive grant to the CEO, Mr Trent Ottawa.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the Securityholder. If a joint holding, either Securityholder may sign. If signed by the Securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a Securityholder.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Items are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

VOTING RESTRICTIONS FOR KMP

Please note that if you appoint a member of Gateway Lifestyle Group's KMP (other than the Chairman of the Meeting) or one of their closely related parties as your proxy, they cannot vote on Items 2 or 5 unless you direct them how to vote. If the Chairman of the Meeting is your proxy and you do not mark a voting box for Items 2 or 5, then by signing and returning the Proxy Form you will be expressly authorising the Chairman of the Meeting to exercise your proxy in respect of the relevant Items even though it is connected with the remuneration of the KMP.

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Group's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 26 November, 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

Please use this form to submit any questions about Gateway Lifestyle Group ("the Group") that you would like us to respond to at the Group's 2017 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Group's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Group's security registrar, Link Market Services Limited, by **11.00am (AEDT) on Sunday, 26 November 2017**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised securityholder topics as possible and, where appropriate, will give a representative of the Group's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to securityholders.

My question relates to *(please mark the most appropriate box)*

☐
☐
☐

Performance or financial reports
Remuneration Report
My question is for the auditor

☐
☐
☐

A resolution being put to the AGM
Sustainability/Environment
Future direction

☐
☐

General suggestion
Other

☐
☐
☐

Performance or financial reports
Remuneration Report
My question is for the auditor

☐
☐
☐

A resolution being put to the AGM
Sustainability/Environment
Future direction

☐
☐

General suggestion
Other

QUESTIONS