
SECURITIES TRADING POLICY

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SECURITIES TRADING POLICY

GATEWAY LIFESTYLE GROUP

1. INTRODUCTION

1.1 Background

This Securities Trading Policy (**Policy**) regulates Trading by Directors and employees (whether engaged directly or indirectly, as or through a contractor) of the Gateway Lifestyle Group (**employees**) in Gateway Lifestyle Securities or Securities of other companies.

Directors and all employees must comply with the insider trading prohibitions of the Corporations Act. Any person who possesses inside information in relation to an entity must not Trade in Securities of that entity, regardless of the terms of this Policy or any written clearance given under this Policy in respect of Gateway Lifestyle Securities.

In addition to setting out general principles in relation to Trading in Securities applicable to all Directors and employees of the Gateway Lifestyle Group, this Policy recognises that there are specific periods when Directors and Restricted Employees should not Trade in Gateway Lifestyle Securities. This Policy also sets out procedures which apply to Trading in Gateway Lifestyle Securities by Directors and Restricted Employees.

1.2 Purpose

The purpose of this Policy is to assist Directors and employees, including Restricted Employees, to comply with their obligations under the insider trading prohibitions of the Corporations Act and to protect the reputation of the Gateway Lifestyle Group, its Directors and employees.

All Directors and employees, particularly Restricted Employees, should read this Policy carefully and familiarise themselves with the requirements and procedures detailed in it.

If you have any questions about this Policy please contact the Company Secretary.

1.3 Definitions

Capitalised terms used in this Policy are defined in the Schedule.

2. KEY PRINCIPLES OF INSIDER TRADING PROHIBITION

2.1 Conduct prohibited by law

Under the Corporations Act, if a person possesses "inside information" in relation to Gateway Lifestyle Securities or Securities of any other entity, the person must not:

- (a) Deal in those Securities; or

- (b) Procure another person to Deal in those Securities; or
- (c) directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, Deal in those Securities in any way or Procure a third person to Deal in those Securities.

Importantly, given the broad definition of "**Procure**", a person who Deals in Securities through a trust or company while in possession of inside information may contravene the insider trading prohibitions and this Policy.

2.2 When a person possesses inside information

A person possesses inside information in relation to Gateway Lifestyle Securities or Securities of another entity where:

- (a) the person possesses information that is not generally available and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the Securities; and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Securities.

Directors and employees must assume that information is generally available only if it has been announced to ASX.

A reasonable person would be taken to expect information to have a material effect on the price or value of Securities if the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of the Securities.

2.3 A person does not need to be an "insider"

A person can possess inside information in respect of an entity, even if they are not associated in any way with that entity. It is irrelevant how the inside information was obtained.

2.4 Penalties

A person who Trades in Securities while they possess inside information or who communicates that information in the circumstances described in paragraph 2.1(c) above may be liable for both significant civil and criminal penalties.

In addition, a breach of this Policy may lead to disciplinary action by the Gateway Lifestyle Group, including termination of employment or engagement with the Gateway Lifestyle Group.

2.5 Examples of inside information

The following items are examples of information which may be inside information in relation to the Gateway Lifestyle Group:

- (a) a change in financial forecasts or expectations;
- (b) a proposed dividend;
- (c) changes in the Board or senior executives;
- (d) pending ASX announcements;
- (e) proposed changes in capital structure, including issues of securities, rights issues, the redemption of securities and capital reconstructions;
- (f) giving or receiving a notice of intention to make a takeover offer;
- (g) debt facilities and borrowings;
- (h) mergers, demergers, acquisitions and divestments;
- (i) significant changes in operations, strategy or proposed changes in the general character or nature of the business of the Gateway Lifestyle Group;
- (j) liquidity and cash flow information;
- (k) sales figures;
- (l) major or material purchases or sales of assets;
- (m) significant new contracts or customers;
- (n) an entity proposing to buy, or a securityholder proposing to sell, a substantial number of Gateway Lifestyle Securities;
- (o) industry issues that may have a material impact on the Gateway Lifestyle Group;
- (p) significant litigation involving the Gateway Lifestyle Group;
- (q) allegations of any breach of the law or other regulatory requirements by the Gateway Lifestyle Group; and
- (r) decisions on significant issues affecting the Gateway Lifestyle Group by regulatory bodies in Australia or other relevant jurisdictions (such as the Australian Securities and Investments Commission or the Australian Competition and Consumer Commission).

This is not an exhaustive list.

3. RESTRICTIONS ON TRADING

3.1 General principles

Directors and employees must comply with the following general principles in relation to Trading in Securities:

- (a) Directors and employees must comply with the insider trading provisions of the Corporations Act at all times and must not Trade in Securities whilst in possession of inside information in respect of those in Securities; and
- (b) Directors and employees must not derive personal advantage from information which is not generally available and which has been obtained by reason of their connection with the Gateway Lifestyle Group.

3.2 Short term Trading - all Directors and employees

The Corporations Act prohibits any person taking part in any Trading that is likely to create or maintain an artificial price for securities or create a false or misleading appearance of active Trading.

Directors and employees must not engage in short term Trading of Gateway Lifestyle Securities.

In general, the acquisition of Securities with a view to resale within a 12 month period and the sale of Securities with a view to repurchase within a 12 month period would be considered to be transactions of a short term nature.

3.3 Securities of other companies

Directors and employees must not Trade in Securities of another entity whilst in possession of inside information in respect of that entity.

3.4 No Trading in Gateway Lifestyle Securities during Prohibited Periods

Directors and Restricted Employees must not Trade in Gateway Lifestyle Securities during the following Prohibited Periods:

- (a) from Gateway Lifestyle Group's year end until the second business day after the release of the full year results;
- (b) from Gateway Lifestyle Group's half year end until the second business day after the release of the half yearly results; and
- (c) any additional periods imposed by the Board from time to time (for example when the Gateway Lifestyle Group is considering matters which are subject to Listing Rule 3.1A).

However, even if a Prohibited Period is not operating, Directors and Restricted Employees must not Trade in Gateway Lifestyle Securities at that time if they are in possession of inside information.

3.5 Prior written clearance for Trading

Directors and Restricted Employees must seek prior written clearance before undertaking any Trading in Gateway Lifestyle Securities.

This requirement applies to all Trading outside of a Prohibited Period and any Trading during a Prohibited Period which is subject to an exception in section 3.12 of this

Policy. (The procedures for seeking prior written clearance to Trade during a Prohibited Period as a consequence of Exceptional Circumstances are set out in section 3.11.)

In order to seek clearance to Trade, Directors and Restricted Employees must submit a written request to the Designated Officer. The Designated Officer may request such information as considered appropriate in the circumstances. Directors and Restricted Employees must note that the Designated Officer may not provide the clearance to Trade and need not give any reasons for their decision, which is final and binding. A clearance to Trade may be withdrawn if there is a change in circumstances or new information and if a clearance is refused the applicant for such clearance must keep the fact of that refusal confidential.

Directors and Restricted Employees may only engage in the proposed Trading if prior written clearance is given by the Designated Officer. Any clearance for the Trading will be valid for 7 days from the date it is given.

3.6 Subsequent notification of all Trading

Directors and Restricted Employees must provide the Company Secretary with subsequent written notification of all Trading in Gateway Lifestyle Securities within two business days, regardless of whether prior written clearance has been given for that Trading.

3.7 Director disclosure within 5 business days

Directors must provide sufficient details of all Trading in Gateway Lifestyle Securities to enable the Gateway Lifestyle Group to file a notice in accordance with the ASX Listing Rules (Appendix 3Y) within 5 business days of the Trade. The Gateway Lifestyle Group will also be obliged to notify ASX whether the Trading by a Director occurred during a Closed Period where prior written clearance was required and, if so, whether prior written clearance was provided.

In the event that an Appendix 3Y reveals that a Director has breached the Trading Policy, the Gateway Lifestyle Group is likely to make a market announcement explaining the circumstances of the breach and the remedial and disciplinary action it has taken or proposes to take.

3.8 Margin loans and other security interests

No Director or Restricted Employee may enter into a margin loan or similar funding arrangement to acquire any Gateway Lifestyle Securities, or grant lenders any rights over their Gateway Lifestyle Securities.

3.9 Hedging and Derivatives

Directors and Restricted Employees must not use, or allow to be used, any Derivatives or other products which operate to limit the economic risk of their unvested Gateway Lifestyle Securities or any Gateway Lifestyle Securities the subject of a holding lock.

3.10 **Trading may be permitted in Exceptional Circumstances**

A Director or Restricted Employee who is not in possession of inside information in relation to the Gateway Lifestyle Group may Trade in Gateway Lifestyle Securities during a Prohibited Period if:

- (a) the Designated Officer determines that an Exceptional Circumstance applies to the Director or Restricted Employee; and
- (b) prior written clearance is granted by the Designated Officer in accordance with this Policy to permit the Director or Restricted Employee to Trade in Gateway Lifestyle Securities during the Prohibited Period.

A Director or Restricted Employee seeking clearance to Trade during a Prohibited Period must satisfy the Designated Officer that Exceptional Circumstances exist and that the proposal to Trade in Gateway Lifestyle Securities during a Prohibited Period is the only reasonable course of action available. Directors and Restricted Employees must apply for clearance in accordance with paragraph 3.10 below.

However, even if prior written clearance is given, Directors and Restricted Employees must not Trade in Gateway Lifestyle Securities if the person is in possession of any inside information.

3.11 **Prior written clearance**

In order to seek prior written clearance to Trade during a Prohibited Period due to Exceptional Circumstances, Directors and Restricted Employees must submit a written request to the Designated Officer. The Designated Officer may request such information as considered appropriate in the circumstances.

The Designated Officer's discretion will be exercised with caution. Directors and Restricted Employees should be aware that the Designated Officer may not provide the clearance to Trade, even if Exceptional Circumstances exist. The principles in respect of clearance application and consent set out in paragraph 3.5 also apply to an application for clearance due to Exceptional Circumstances.

Directors and Restricted Employees may only engage in the proposed Trading if written clearance is given. Any prior written clearance given for Exceptional Circumstances trading will be valid for 7 days from the date it is given.

3.12 **Dealings which may occur during a Prohibited Period**

During a Prohibited Period, Directors and Restricted Employees may Trade in Gateway Lifestyle Securities in the circumstances described below, provided that the Director or Restricted Employee is not in possession of any inside information. (Please note that the Policy requirements with respect to prior written clearance and subsequent notification continue to apply to Trading under one of these exceptions. See paragraphs 3.5 and 3.6).

- (a) **(Transfers into a superannuation fund)** Transfers of Gateway Lifestyle Securities already held into a superannuation fund or other saving scheme in which the Director or Restricted Employee is a beneficiary.

- (b) **(Investment in fund etc.)** An investment in, or Trading in units of, a fund or other scheme (other than a scheme only investing in Gateway Lifestyle Securities) where the assets of the fund or other scheme are invested at the discretion of a third party.
- (c) **(Director or Restricted Employee acting as trustee)** Where the Director or Restricted Employee is a trustee or a director of a corporate trustee, Trading in Gateway Lifestyle Securities by that trust provided the Director or Restricted Employee is not a beneficiary of the trust and any decision to Trade during a Prohibited Period is taken by the other trustees or directors or by the investment managers independently of the Director or Restricted Employee.
- (d) **(Accepting a takeover offer)** Undertakings to accept, or the acceptance of, a takeover offer, or participation in a scheme of arrangement.
- (e) **(Rights issue, security purchase plan, distribution reinvestment plan etc.)** Trading under an offer or invitation made to all or most of the Gateway Lifestyle Group's security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board, (This extends to decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue).
- (f) **(Exercise of options or rights)** The exercise (but not the sale of Securities following exercise) of an option or a right under an employee/consultant incentive scheme. This exception applies to options and rights granted under an employee/consultant incentive scheme before this Policy takes effect.
- (g) **(Exercise of options or rights, or conversion of convertible security)** The exercise (but not the sale of Securities following exercise) of an option or a right under an employee/consultant incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Gateway Lifestyle Group has been in an exceptionally long Prohibited Period or the entity has had a number of consecutive Prohibited Periods and the Director or Restricted Employee could not reasonably have been expected to exercise it at a time when free to do so. This exception applies to options and rights granted under an employee/consultant incentive scheme after this Policy takes effect.

4. **OTHER MATTERS**

4.1 **Changes to Policy**

If any material changes are made to this Policy, the Gateway Lifestyle Group will give the amended Policy to ASX for release to the market within 5 business days of the material change taking effect.

Amendments to the Policy which are likely to constitute a material change include:

- (a) changes to the Closed Periods;
- (b) changes with respect to Trading in Gateway Lifestyle Securities which is not subject to a Prohibited Period (as set out in paragraph 3.11 of this Policy); and
- (c) changes with respect to the Exceptional Circumstances in which Directors and Restricted Employees may be permitted to Trade during a Prohibited Period (as set out in paragraphs 3.9 and 3.10 of this Policy).

4.2 Adoption of Policy and annual Board review

This Policy was adopted by the Board on 15 May 2015, and takes effect from that date and replaces any previous policy in this regard.

The Board will review this Policy annually. The Company Secretary will communicate any amendments to employees as appropriate.

SCHEDULE 1 - DEFINITIONS

For the purposes of this Policy:

ASX Listing Rules means the listing rules of ASX Limited;

Board means the board of directors of Gateway Lifestyle Operations Limited;

Chairman means the chairman of Gateway Lifestyle Operations Limited;

Chief Executive Officer means, if one is appointed and there is no Managing Director, the chief executive officer of Gateway Lifestyle Operations Limited, who is not a Director;

Closed Period means the periods set out in paragraphs 3.4(a) and 3.4(b);

Company Secretary means the company secretary of Gateway Lifestyle Operations Limited;

Corporations Act means the Corporations Act 2001 (Cth);

to **Deal in Securities** means to apply for, acquire or dispose of Securities, or enter into an agreement to do any of those things, and **Dealing** has a corresponding meaning;

Derivative has the meaning in section 761D of the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars;

Designated Officer means:

- (a) in respect of a Director, including the Managing Director, the Chairperson;
- (b) in respect of the Chairperson, the Managing Director;
- (c) in respect of a Restricted Employee, except where a specific provision applies otherwise, the **Company Secretary** and the Managing Director; and
- (d) in respect of the Company Secretary, the Managing Director;

or such other person appointed by the Board as a Designated Officer for the purposes of this Policy;

Directors means the directors of any company in the Gateway Lifestyle Group;

Exceptional Circumstances means, in relation to a Director or Restricted Employee:

- (a) **(Severe financial hardship)**: a pressing financial commitment that can only be satisfied by selling the relevant Gateway Lifestyle Securities;
- (b) **(Court order)**: a requirement to Trade in Gateway Lifestyle Securities as a result of:
 - (i) a court order;

- (ii) court enforceable undertakings (e.g. as part of a bona fide family settlement); or
- (iii) some other overriding legal or regulatory requirement; or
- (c) **(Other circumstances)**: any other circumstances considered exceptional by the Designated Officer;

Gateway Lifestyle Group means the stapled group comprising Gateway Lifestyle Operations Limited and its Subsidiaries and the responsible entity of the Trust, the Trust and the entities which the Trust controls;

Gateway Lifestyle Securities means the shares in Gateway Lifestyle Operations Limited and the units in the Trust stapled together and quoted on the Australian Securities Exchange, and any other shares, units, options, derivatives, managed investment products, superannuation products or other financial products of Gateway Lifestyle Operations Limited or the Trust that are able to be traded on a financial market;

Managing Director means the Managing Director of Gateway Lifestyle Operations Limited.

to **Procure** another person to Deal in Securities includes inciting, inducing or encouraging a person to Deal or not Deal in Securities; **Prohibited Period** means the periods set out in paragraphs 3.4(a), 3.4(b) and 3.4(c);

Restricted Employees means:

- (a) the Chief Executive Officer;
- (b) the Chief Financial Officer;
- (c) the Chief Operating Officer;
- (d) the Company Secretary;
- (e) the General Counsel;
- (f) employees involved with preparing the Gateway Lifestyle Group's monthly financial reports;
- (g) responsible officers of the Trust;
- (h) direct reports to the above positions; and
- (i) employees nominated by the Board as Restricted Employees (and who are notified accordingly),

whether employed or engaged by Gateway Lifestyle Operations Limited or another member of the Gateway Lifestyle Group;

Securities includes shares, options, rights, debentures (including convertible notes), interests in a managed investment scheme, Derivatives and other financial products

covered by s1042A of the Corporations Act and, for the avoidance of doubt, includes the Gateway Lifestyle Securities;

Subsidiaries has the meaning given in the Corporations Act;

Trade means to Deal in Securities or Procure another person to Deal in Securities, and **Trading** has a corresponding meaning; and

Trust means Residential Parks No.2 Trust.