

12 October 2016

2016 Notice of Annual General Meeting and General Meeting of Gateway Lifestyle Group

In accordance with Listing Rule 3.17, please find attached the Notice of Meeting and Proxy Form for the Annual General Meeting and General Meeting, to be held on Thursday 17 November 2016.

The Annual Report for the year ended 30 June 2016 was previously released to the ASX on 29 September 2016.

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

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



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of Gateway Lifestyle Operations Limited ACN 605 543 968 (**Company**) will be held in conjunction with a General Meeting of unit holders of Residential Parks No.2 Trust ARSN 605 803 41 (**Trust**) (together, **Gateway Lifestyle Group**) at Level 3, 7-9 Irvine Place, Bella Vista, New South Wales on 17 November 2016 at 11am (AEDT) (**Annual General Meeting** or **AGM**).

AGENDA

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

1. To receive Gateway Lifestyle Group's Financial Statements, Directors' Report and Auditor's Report for the year ended 30 June 2016.

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

Adoption of Remuneration Report – Company only

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

"That the Remuneration Report, as included in the Directors' Report for the year ended 30 June 2016, 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.

Election of Directors – Company only

3. To consider, and if thought fit, pass the following resolutions as separate ordinary resolutions of the Company:

- a) "That Stephen Newton, who retires by rotation in accordance the Constitution of the Company and being eligible, be elected as a Director of the Company".
- b) "That Rachel Lauenders, who retires by rotation in accordance with the Constitution of the Company and being eligible, be elected as a Director of the Company".

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

Ratification of issue of securities – Company and Trust

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

"That for the purposes of Listing Rule 7.4, securityholders ratify and approve the issue of securities as described in the Explanatory Notes to this Notice of Annual General Meeting."

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

Approval of Long Term Incentive grants to the CEO, Trent Ottawa, for FY16 and FY17 – Company and Trust

5. To consider, and if thought fit, pass the following resolutions as separate ordinary resolutions of the Company and Trust:

- a) "That for the purposes of ASX Listing Rule 10.14, and for all other purposes, securityholders approve the grant of Security Acquisition Rights (**SARs**) to Trent Ottawa under the Gateway Lifestyle Group Equity Incentive Plan as his FY16 long term incentive award on the terms described in the Explanatory Notes to this Notice of Annual General Meeting."
- b) "That for the purposes of ASX Listing Rule 10.14, and for all other purposes, securityholders approve the grant of SARs to Trent Ottawa under the Gateway Lifestyle Group Equity Incentive Plan as his FY17 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.

Approval of Long Term Incentive grants to the CFO, John Wong, for FY16 and FY17 – Company and Trust

6. To consider, and if thought fit, pass the following resolutions as separate ordinary resolutions of the Company and Trust:

- a) "That for the purposes of ASX Listing Rule 10.14, and for all other purposes, securityholders approve the grant of SARs to John Wong under the Gateway Lifestyle Group Equity Incentive Plan as his FY16 long term incentive award on the terms described in the Explanatory Notes to this Notice of Annual General Meeting."
- b) "That for the purposes of ASX Listing Rule 10.14, and for all other purposes, securityholders approve the grant of SARs to John Wong under the Gateway Lifestyle Group Equity Incentive Plan as his FY17 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 4 Ratification of issue of securities

The Company and the Trust will disregard any votes cast on Item 4 by or on behalf of any person who participated in the issue of securities or any associates of those persons, unless the vote is cast as proxy for a person who is entitled to vote on Item 4:

- in accordance with a direction on the proxy form; or
- by the Chair of the meeting in accordance with a direction in the proxy form to exercise the proxy as he decides.

ASX has granted a waiver to allow the Company and the Trust to limit the application of ASX Listing Rule 14.11 so that votes cast on item 4 by a securityholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary (**Nominee Holder**) need not be disregarded, subject to the following conditions:

- the beneficiary has provided written confirmation to the Nominee Holder that they did not participate in the issue of securities, nor are they an associate of a person who participated in the issue of securities;
- the beneficiary has directed the Nominee Holder how to vote on Item 4; and
- the Nominee Holder does not exercise discretion in casting a vote on behalf of the beneficiary.

Items 5 and 6 Approval of Long Term Incentive grants to Executive Directors for FY16 and FY17

The Company and the Trust will disregard any votes cast on Item 5a, 5b, 6a or 6b:

- by or on behalf of Trent Ottawa or John Wong or any of their 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 5a, 5b, 6a or 6b:
- 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

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 15 November 2016**. 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.

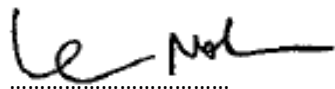
PROXY DEADLINE

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 **11 am (AEDT) on 15 November 2016**.

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 Bad A14, Sydney South, NSW 1235, or by fax on + 61 2 9287 0309.

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 12 October 2016



.....
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 2016. The Annual Report has been made available to securityholders and is published on Gateway Lifestyle Group's website at www.gatewaylifestyle.com.au

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

Members will be given a reasonable opportunity to ask 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 to the vote at the Annual General Meeting of the Company.

The Chairman will allow a reasonable opportunity for the members as a whole to ask questions about, or make comments on, the Remuneration Report.

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

ITEM 3: ELECTION OF DIRECTORS – 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, Stephen Newton and Rachel Launders will retire and submit themselves for election.

ITEM 3A ELECTION OF STEPHEN NEWTON

Stephen Newton's biography is set out below:

Stephen Newton (BA (Econ & Acctnt), MCom, MICAA, MAICD)

- Independent Non-Executive Director, appointed 15 May 2015
- Member of the Audit and Risk Management Committee

Stephen is currently a Director of BAI Communications Group, Stockland Property Group, VIVA Energy REIT Group and the University of Notre Dame Australia.

Stephen is also an Advisory Board Member, representing Alberta Investment Management Corp (Canada), of the Forestry Investment Trust, and Chairman of the Finance Council for the Catholic Archdiocese of Sydney. Stephen is a former Director of Campus Living Funds Management Limited, Australand Property Group and Newcastle Airport Limited.

Stephen has extensive experience across real estate investment and development as well as infrastructure investment and management. Stephen is a Director and Principal of Arcadia Funds Management Limited, a real estate investment management and capital advisory business he established in 2002. Prior to this, Stephen was the Chief Executive Officer - Asia/Pacific for the real estate investment management arm of Lend Lease Corporation and a member of the global senior executive management group. His career at Lend Lease spanned almost 23 years and included experience across residential development, retail shopping centres, commercial and industrial property as well as real estate investment in Australia and overseas.

Former Directorships of listed entities in last three years

Stephen was a Director of Australand Property Group from December 2007 to October 2014.

The Directors (with Stephen abstaining) recommend that securityholders vote in favour of Stephen Newton's re-election as a Director of the Company

ITEM 3B ELECTION OF RACHEL LAUNDERS

Rachel Launders' biography is set out below:

Rachel Launders (BA, LLB (Hons), FFin)

- Independent Non-Executive Director, appointed 15 May 2015
- Chair of the Remuneration and Nomination Committee
- Member of the Audit and Risk Management Committee

Rachel has over 20 years' experience in corporate law. Rachel currently holds the role of general counsel and company secretary at Nine Entertainment Co. Holdings Limited. Prior to joining Nine Entertainment in 2015, Rachel was a partner at Gilbert + Tobin for over 13 years where she specialised in mergers and acquisitions, corporate governance and compliance. Rachel is also a director of Giant Steps, which is a school for children and young adults with autism in Sydney and Melbourne. Rachel is a Fellow of the Financial Services Institute of Australasia.

The Directors (with Rachel abstaining) recommend that securityholders vote in favour of Rachel Launders' re-election as a Director of the Company.

ITEM 4: RATIFICATION OF ISSUE OF SECURITIES – COMPANY AND TRUST

On 9 March 2016, Gateway Lifestyle Group announced that it would be raising equity to fund a number of

acquisitions and to repay debt to strengthen its financial position and deliver its business plan. The equity raising consisted of a pro-rata entitlement offer and an institutional placement (**Placement**) at \$2.40 per security to raise a total of \$120 million.

Under the Placement, Gateway Lifestyle Group issued 16,746,969 securities (**Placement Securities**) at a price of \$2.40 per security to raise approximately \$40.2 million. The Placement Securities were issued to certain institutional investors. The Placement Securities were issued on 23 March 2016.

Listing Rule 7.1 provides that (subject to certain exceptions) prior approval of securityholders is required for an issue of securities, if the securities will, when aggregated with the securities issued by an entity during the last 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period. The issue of the Placement Securities was made within Gateway Lifestyle Group's 15% placement capacity limit pursuant to ASX Listing Rule 7.1.

Listing Rule 7.4 allows Gateway Lifestyle Group to ratify an issue of securities so that they will not be counted towards its 15% placement capacity limit. The purpose of this Item 4 is for securityholders to ratify the issue of the Placement Securities so that they do not form part of Gateway Lifestyle Group's 15% placement capacity limit under Listing Rule 7.1.

Notwithstanding an approval by securityholders of this Item 4, any future equity raisings would remain subject to the 15% placement capacity limit set out in ASX Listing Rule 7.1

The relevant terms and conditions of the Placement are:

Number of securities issued	16,746,969
Issue price	\$2.40 per new stapled security
Terms	The new stapled securities are on the same terms as existing fully paid stapled securities
Persons to whom securities were issued	Institutional investors
Intended use of the funds	To fund the acquisition of 6 secured manufactured home estates and repay debt to strengthen Gateway Lifestyle Group's financial position to deliver its business plan

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

ITEMS 5 AND 6: LONG TERM INCENTIVE GRANTS TO EXECUTIVE DIRECTORS FOR FY16 and FY17 – COMPANY AND TRUST

Items 5a and 5b concern the grant of Security Appreciation Rights (**SARs**) to the CEO, Trent Ottawa, as his long term incentive (**LTI**) remuneration in respect of the FY16 and FY17 financial years.

Items 6a and 6b concern the grant of SARs to the CFO, John Wong, as his LTI remuneration in respect of the FY16 and FY17 financial years.

As foreshadowed in the Gateway Lifestyle Group's prospectus for listing on the ASX in June 2015, during the year the Board of the Company established an executive and employee share plan called the Gateway Lifestyle Group Equity Incentive Plan (**Plan**).

Pursuant to ASX Listing Rule 10.14, securityholder approval is being sought to grant SARs to the Executive Directors under the Plan in respect of their FY16 and FY17 LTI remuneration. Because the Plan was established after Gateway Lifestyle Group's 2015 Annual General Meeting, approval is being sought from securityholders for two years' LTI grants to each of Trent Ottawa and John Wong.

Each SAR is a right to acquire a number of fully paid stapled securities in Gateway Lifestyle Group based on the increase in the price of Gateway Lifestyle Group securities over a specified period.

The terms of the proposed grants of SARs to each Executive Director are set out below.

ITEM 5 APPROVAL OF LONG TERM INCENTIVE GRANTS FOR FY16 AND FY17– TRENT OTTAWA

It is proposed that Trent Ottawa will receive SARs with a value equivalent to 100% of his total fixed remuneration (**TFR**) in respect of each of FY16 and FY17.

Accordingly, it is proposed that Trent be granted the following:

Item 5a: 1,366,465 SARs, with a value of \$631,307, as his LTI remuneration for the year ending 30 June 2016 (**FY16 LTI Grant**); and

Item 5b: 1,159,682 SARs, with a value of \$649,770, as his LTI remuneration for the year ending 30 June 2017 (**FY17 LTI Grant**).

ITEM 6 APPROVAL OF LONG TERM INCENTIVE GRANTS FOR FY16 AND FY17 – JOHN WONG

It is proposed that John Wong will receive SARs with a value equivalent to 60% of his TFR in respect of each of FY16 and FY17.

Accordingly, it is proposed that John be granted the following:

Item 6a: 696,966 SARs, with a value of \$321,998, as his LTI remuneration for the year ending 30 June 2016 (**FY16 LTI Grant**); and

Item 6b: 601,903 SARs, with a value of \$337,246, as his LTI remuneration for the year ending 30 June 2017 (**FY17 LTI Grant**).

The number of SARs to be granted to each of Trent Ottawa and John Wong has been calculated by dividing their maximum grant value for the relevant financial year by the Black Scholes fair value for each SAR. No discounts are made for the probability of vesting. The fair value of each SAR comprising the FY16 LTI grant is 46.20 cents. The fair value of each SAR comprising the FY17 LTI grant is 56.03 cents.

TERMS OF THE PROPOSED GRANTS FOR FY16 AND FY17

The terms of the FY16 LTI Grants and FY17 LTI Grants to the Executive Directors are set out in the table below.

TERM	DESCRIPTION																				
INSTRUMENT BEING GRANTED	<p>Conditional rights to acquire a number of fully paid ordinary stapled securities in Gateway Lifestyle Group (Securities) based on the increase in price of Securities over the period from the “base date” to the “exercise date” and subject to meeting specified performance conditions (Security Appreciation Rights or SARs).</p> <p>The Board will have discretion to settle any SARs that vest in cash instead of Securities (though this discretion would only be expected to be used in limited circumstances). No consideration is payable upon grant, vesting or exercise of SARs.</p>																				
PERFORMANCE PERIOD	<p>Three years commencing from the “base date”.</p> <p>For the FY16 LTI Grant, the “base date” is the release of Gateway Lifestyle Group’s FY15 annual results.</p> <p>For the FY17 LTI Grant, the “base date” is release of Gateway Lifestyle Group’s FY16 annual results.</p>																				
VESTING AND EXERCISE OF SARs	<p>As soon as practicable following the end of the Performance Period:</p> <ul style="list-style-type: none"> 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 SARs that will vest; and any vested SARs will become exercisable. 																				
EXERCISE PERIOD	<p>Up to 7 years from the grant date.</p> <p>If the Executive Director is still employed by the Gateway Lifestyle Group at the end of the exercise period, any vested SARs will automatically be exercised.</p>																				
PERFORMANCE CONDITIONS	<p>SARs will “vest” and become exercisable on satisfaction of the following conditions:</p> <p>Absolute TSR (50%)</p> <p>50% of each grant of SARs are subject to an absolute total security holder return performance hurdle (Absolute TSR Component). Vesting of the Absolute TSR Component will be determined as follows:</p> <table> <tr> <th>Gateway Lifestyle Group’s TSR over the Performance Period</th><th>% of Absolute TSR Component that Vests</th></tr> <tr> <td>Less than 35%</td><td>Nil</td></tr> <tr> <td>At 35%</td><td>25%</td></tr> <tr> <td>Between 35% and 75%</td><td>Pro rata Vesting from 25% to 100% on a straight line basis</td></tr> <tr> <td>75% or greater</td><td>100%</td></tr> </table> <p>Relative TSR (50%)</p> <p>50% of each grant of SARs are subject to a relative TSR performance hurdle (Relative TSR Component).</p> <p>Vesting of the Relative TSR Component is subject to Gateway Lifestyle Group’s TSR performance relative to the total shareholder returns of the ASX 200 Industrial Accumulation Index (Index).</p> <p>Vesting of the Relative TSR Component will be determined as follows:</p> <table> <tr> <th>Gateway Lifestyle Group’s TSR over the Performance Period</th><th>% of Relative TSR Component that Vests</th></tr> <tr> <td>Less than TSR of Index + 1% (compounded annually)</td><td>Nil</td></tr> <tr> <td>At TSR of Index + 1% (compounded annually)</td><td>50%</td></tr> <tr> <td>Between TSR of Index +1% (compounded annually) and TSR of Index + 5% (compounded annually)</td><td>Pro rata Vesting from 50% to 100% on a straight line basis</td></tr> <tr> <td>TSR of Index + 5% or greater (compounded annually)</td><td>100%</td></tr> </table> <p>Calculating TSR</p> <p>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 Committee to be appropriate).</p> <p>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</p>	Gateway Lifestyle Group’s TSR over the Performance Period	% of Absolute TSR Component that Vests	Less than 35%	Nil	At 35%	25%	Between 35% and 75%	Pro rata Vesting from 25% to 100% on a straight line basis	75% or greater	100%	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%
Gateway Lifestyle Group’s TSR over the Performance Period	% of Absolute TSR Component that Vests																				
Less than 35%	Nil																				
At 35%	25%																				
Between 35% and 75%	Pro rata Vesting from 25% to 100% on a straight line basis																				
75% or greater	100%																				
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%																				

	of the Performance Period.
NUMBER OF SECURITIES RECEIVED ON EXERCISE OF SARs	<p>The number of Securities the Executive Director will receive on exercise of vested SARs will be determined in accordance with the following formula:</p> $N = [S \times (P - B)] / P$ <p>Where:</p> <ul style="list-style-type: none"> • “N” is the number of Securities receivable on exercise of vested SARs (not including any distribution equivalent payment); • “S” is the number of SARs which have vested and been exercised; • “P” is the VWAP of Securities traded on the ASX over the 5 trading days prior to exercise of the SARs; and • “B” is the base price for the SARs (being the VWAP of Securities traded on the ASX over the 5 trading days following the “base date” for that grant). For the FY16 LTI Grant, the base price is \$2.3437 and for the FY17 LTI Grant, the base price is \$2.4825.
DISTRIBUTION EQUIVALENT PAYMENT	<p>SARs do not carry any distribution or voting rights prior to vesting and exercise. However, on exercise, the Executive Director will be entitled to receive a distribution equivalent payment in the form of additional Securities which is equivalent to the value of distributions that the Executive Director would have received between “base date” for the grant and the exercise date if he had owned Securities. The Board has a discretion to settle the distribution equivalent payment in cash instead of Securities (though this discretion would only be expected to be used in limited circumstances). The distribution equivalent payment will be determined according to the following formula:</p> $N = S \times (V / P)$ <p>Where:</p> <ul style="list-style-type: none"> • “N” is the number of additional Securities receivable as a distribution equivalent payment; • “S” is the number of SARs which have vested and been exercised; • “V” is the cumulative value of distributions paid by Gateway Lifestyle Group on each Security between the “base date” for the grant and the date of exercise (calculated on a reinvestment basis); and • “P” is the VWAP of Securities traded on the ASX over the 5 trading days prior to exercise of the SARs.
CESSATION OF EMPLOYMENT	Where the Executive Director resigns or is terminated for cause, unless the Board determines otherwise, all SARs will lapse. Where the Executive Director ceases employment in any other circumstances, unless the Board determines otherwise, a pro rata portion of the unvested SARs will remain on foot and be tested in the ordinary course.
CHANGE OF CONTROL	In the event of a likely change of control, the Board may determine in its absolute discretion whether any or all of the SARs 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 SARs will vest on a pro rata basis.
CLAWBACK OF INAPPROPRIATE BENEFITS	In the event of fraud or gross misconduct or material financial misstatement, amongst other things, the Board may determine that unvested SARs and vested SARs that are not yet exercised will lapse, Securities allocated to the Executive Director are forfeited and cash amounts paid to the Executive Director (if any) are repayable to the Company as a debt.
OTHER INFORMATION	<ul style="list-style-type: none"> • Trent Ottawa and John Wong are the only directors eligible to participate in this Plan. • There has been no prior securityholder approval of securities under the Plan and no securities have previously been issued to directors under the Plan. • If approval is given under Listing Rule 10.14, approval will not be required under Listing Rule 7.1. This means that the SARs granted to Trent Ottawa and John Wong 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 SARs will be granted to Trent and John after the AGM, but in any event within 12 months after the date of the AGM.

The Directors (with Trent and John abstaining) unanimously recommend that securityholders vote in favour of each of Items 5a, 5b, 6a and 6b.

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

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 Gateway Lifestyle Group to be held at **11:00am on Thursday, 17 November 2016 at the Gateway Offices, Suite 303, 7-9 Irvine Place, Bella Vista, NSW, 2153** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Items 2, 5a, 5b, 6a and 6b: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below for Items 2, 5a, 5b, 6a or 6b, by signing and returning this form you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of the relevant Item, even though the Item is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote all available 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*		For	Against	Abstain*
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5a Approval of Long Term Incentive Grant to Trent Ottawa (CEO) – FY16	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Election of Director Stephen Newton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5b Approval of Long Term Incentive Grant to Trent Ottawa (CEO) – FY17	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Election of Director Rachel Launders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6a Approval of Long Term Incentive Grant to John Wong (CFO) – FY16	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6b Approval of Long Term Incentive Grant to John Wong (CFO) – FY17	<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. If you leave this section blank, the Chairman of the Meeting will be your proxy. 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 Item is 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 Key Management Personnel (KMP) (other than the Chairman) or one of their closely related parties as your proxy, they cannot vote on Items 2, 5a, 5b, 6a or 6b 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, 5a, 5b, 6a or 6b, then by signing and returning the Proxy Form you will be expressly authorising the Chairman to exercise your proxy in respect of the relevant Items even though it is connected with the remuneration of the KMP.

VOTING ON ITEM 4

Please refer to the Notice of Meeting for details on voting restrictions and the related ASX waiver for item 4.

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 Tuesday, 15 November 2016**, 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.

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

QR Code



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.**