

22 May 2017

Gateway Lifestyle Group – Adoption of Distribution Reinvestment Plan

Gateway Lifestyle Group (**Gateway**) (**ASX:GTY**) announces the adoption of a Distribution Reinvestment Plan (**DRP**).

The **DRP** enables securityholders in Gateway to reinvest distributions from their stapled securities to acquire more stapled securities, without incurring transaction costs.

Enclosed with this announcement is the **DRP** Information Sheet and a copy of the correspondence to be sent to securityholders regarding the **DRP**, including the **DRP** election form.

Securityholders who wish to participate in the **DRP** must complete a participation form and must lodge it with Gateway's Security Registrar (**LINK**) in accordance with the procedure set out in the **DRP** Information Sheet.

Unless the Board determines otherwise, participants in the **DRP** must have an address in Australia or New Zealand recorded in Gateway's securities register.

The **DRP** will apply to the distribution for the half year ending 30 June 2017. A discount of 1% will apply to the issue of stapled securities under the **DRP** initially.

Further details regarding the **DRP** will be provided via the ASX announcement platform and Gateway's website. www.gatewaylifestyle.com.au in due course.

For additional information, please contact:

Investor Relations:

Stephanie Ottens T: +612 8818 9617

-END-



DISTRIBUTION REINVESTMENT PLAN

Information Sheet

As a Stapled Security Holder in the Gateway Lifestyle Group (comprised of one share in Gateway Lifestyle Operations Limited and one unit in Residential Parks No. 2 Trust), you are able to reinvest the Distributions from your Stapled Securities to acquire more Stapled Securities through the Distribution Reinvestment Plan (DRP). The DRP is designed to be a convenient way for you to build your Stapled Security holding without incurring transaction costs. You do not have to participate in the DRP. If you wish to participate, you may participate in respect of all or only some of your Stapled Securities (subject to any minimum or maximum participation that may apply).

DRP Rules

The DRP allows you to reinvest your Distributions in new Stapled Securities.

For Australian tax purposes, you will be treated as if you had received the Distribution and used the cash received to acquire new Stapled Securities. That is, Distributions used to purchase Stapled Securities under the DRP will be taxed in the same manner as cash distributions paid to Stapled Security Holders. Participants in the DRP will receive details on the taxable components of distributions at the same time as all other Stapled Security Holders. You might also be liable for capital gains tax or income tax when you dispose of the new Stapled Securities.

Please contact your taxation adviser if you have any questions concerning the taxation consequences of participating in the DRP.

How to participate	You must have completed a participation form and lodged it with the Stapled Security Registrar on or before the Last Election Date.
Partial participation	You may specify any number of your Stapled Securities for participation in the DRP (subject to any minimum or maximum participation that may apply). We will pay cash Distributions on Stapled Securities that are not participating in the DRP.
Changing your participation	<p>You may change your participation in the DRP at any time by completing a participation form and sending it to the Stapled Security Registrar. The change will be effective for a Distribution (and for future Distributions) if it is received on or before the Last Election Date for that Distribution. Participation forms received after the Last Election Date for a Distribution are not effective for that Distribution, but are effective for future Distributions.</p> <p>If the number of Stapled Securities registered in your name changes, you only need to contact us to obtain a participation form if you wish to change your participation.</p> <p>If you reduce your Stapled Security holding and you do not change your instructions, it may be necessary to vary the number of your Stapled Securities participating in the DRP. Stapled Securities sold will be deducted first from your holding of Stapled Securities which are not participating in the DRP (if any), and then from your participating Stapled Securities. These changes will take place automatically unless you notify us otherwise using a participation form.</p> <p>Should you purchase Stapled Securities and your holding rises above your nominated participation you will need to complete a participation form if you wish those Stapled Securities to participate. Where you have elected full participation, any additional Stapled Securities acquired by you (including under the DRP) will automatically participate in the DRP unless you send us a participation form varying this.</p>

Termination	You may stop participating in the DRP by sending us a participation form electing to withdraw from the plan. This withdrawal will be effective for a Distribution if it is received on or before the Last Election Date for that Distribution. We will stop your participation if you sell all of your DRP Stapled Securities or (except where your securities are held jointly) if we receive notification of your death.
Allocation	By nominating Stapled Securities to participate in the DRP, you authorise the DRP Administrators to allocate Stapled Securities to you in accordance with these rules. We will determine whether to issue new Stapled Securities or cause the purchase and transfer of existing Stapled Securities, or to apply a combination of both options, to satisfy our obligations under the DRP.
Ranking of new Stapled Securities	Stapled Securities allocated under the DRP will rank equally with other Stapled Securities from their date of allocation.
Number of Stapled Securities	<p>We will allocate Stapled Securities to you numbering</p> $\frac{N \times D}{P}$ <p>where</p> <p>N is the number of your DRP Stapled Securities</p> <p>D is the Distribution per Stapled Security</p> <p>P is the Allocation Price of a Stapled Security.</p> <p>If the formula results in a number that is not a whole number, we will round down the number of Stapled Securities to be allocated to you to the nearest whole number of Stapled Securities. Any surplus Distribution not applied for the purchase of Stapled Securities will be held on your behalf for future application on Stapled Securities participating in the DRP until the balance is sufficient to purchase a whole new Stapled Security.</p> <p>If you cease participation in the DRP or cease to be a Stapled Security Holder, we will pay to you any outstanding cash balance.</p>
Withholding	<p>Where we are required or entitled to retain or deduct any part of your Distribution we will deduct that amount before calculating the number of Stapled Securities to be allocated to you.</p> <p>Australian resident Stapled Security Holders are subject to withholding tax at the highest marginal tax rate (including Medicare levy) on the gross distribution from Residential Parks No. 2 Trust and the unfranked amount of dividends from Gateway Lifestyle Operations Limited where no Tax File Number, exemption or Australian Business Number has been recorded. Stapled Security Holders resident outside Australia, unless exempted under Australian taxation law, are subject to Australian withholding taxes on their distributions at varying rates depending on the components of the distributions.</p>

Participation of new Stapled Securities	<p>Where you have elected full participation, Stapled Securities which are allocated to you under the DRP will automatically participate in the DRP for future Distributions unless you have sent us a participation form which varies this.</p> <p>Where you have elected partial participation, Stapled Securities which are allocated to you under the DRP above your nominated participation level will not participate unless you have sent us a participation form which varies this.</p> <p>A participation form will only be effective for a Distribution if received on or before the Last Election Date for that Distribution.</p>
Multiple holdings	<p>If you have more than one Stapled Security holding, you will need to lodge a separate participation form for each separate Stapled Security holding.</p>
Minimum and maximum participation	<p>The DRP Administrators may specify a minimum or maximum permitted number of Stapled Securities per Stapled Security Holder to participate in the DRP (whether in respect of a particular Distribution or Distributions generally) from time to time by way of notification on our website and to the ASX.</p>
Alterations to the rules	<p>The DRP Administrators may alter, suspend or terminate the DRP, or any of these rules by providing written notice to all Stapled Security Holders, which may be by way of notification on our website and to the ASX.</p>
Listing	<p>We will apply to the ASX to list new Stapled Securities promptly after we issue them.</p>
No transfers	<p>Applications under the DRP may only be taken up by the Stapled Security Holder.</p>
Notices	<p>If you wish to start participating, change your participation or withdraw your participation in the DRP you must tell us by completing and sending us a participation form. If you need a form, please contact our Securityholder Services team:</p> <ul style="list-style-type: none"> by telephone on 1300 554 474 between 8.30am and 7.30pm Monday to Friday. If you are calling from outside of Australia, our telephone number is +61 2 8280 7100 (please note this is a metered call). by email at gateway@linkmarketservices.com.au <p>If you send us a properly completed form, that form supersedes any forms you have previously sent us.</p>
Participation	<p>Your registered address must be in Australia or New Zealand, or any other jurisdiction in which we decide to extend the DRP. The laws of other countries make it difficult for us to offer Stapled Securities under the DRP.</p>
Statements	<p>We will send holding statements to you promptly after allocating Stapled Securities.</p>

DEFINITIONS

Allocation Price	<p>The arithmetic average of the daily volume weighted average price of Stapled Securities sold on the ASX (and any other market nominated by us) during normal trading hours (adjusted to exclude 'special' trades, non- market trades and any other trades we consider not to be in the ordinary course of trading on the relevant market) in the period of up to 20 consecutive Business Days (the length and commencement date of such period to be advised to the ASX prior to the Record Date, and which may be extended if there is a trading halt during that period by the length of the trading halt) less the Discount. The Allocation Price may also be adjusted by us in order to ensure that, to the extent reasonably possible, the calculation of entitlements is unaffected by the method of allocation, given that allocations of Stapled Securities may occur by issue, purchase, or a combination of issue and purchase. Our determination of the Allocation Price is final and binding.</p> <p>If that price is less than 50 cents, the Allocation Price will be 50 cents, unless we determine otherwise.</p>
ASX	ASX Limited (ABN 98 008 624 691).
Business Day	has the meaning given in the ASX Listing Rules.
Discount	The percentage discount (if any) determined by us to be applied in calculating the Allocation Price.
Distribution	<p>means:</p> <ul style="list-style-type: none"> • any cash distribution per Unit announced and payable by the Responsible Entity; and • any cash dividend per Share announced and payable by GLOL, to which the DRP Administrators have determined the DRP will apply.
DRP Administrators	The administrators of the DRP, being the directors of the Responsible Entity in relation to Units, and the directors of GLOL in relation to Shares.
DRP Stapled Securities	Stapled Securities which you have nominated for participation in the DRP.
Last Election Date	The first Business Day after the Record Date for a Distribution, or such other date as determined by us.
GLOL	Gateway Lifestyle Operations Limited (ABN 63 605 543 968).
RPT2 Trust	Residential Parks No.2 Trust (ARSN 605 803 41).
Participation Form	The form (including any electronic form) provided by the DRP Administrators or the Stapled Security Registrar for Stapled Security Holders to notify changes in their participation in the DRP.
Record Date	The date determined by the DRP Administrators for identification of entitlements to a Distribution.
Responsible Entity	The company named in ASIC's record of registration for RPT2 Trust as the responsible entity or temporary responsible entity of RPT2 Trust.
Share	An ordinary fully paid share in GLOL.

Stapled Security	One Share stapled to one Unit and Stapled Securities has a corresponding meaning.
Stapled Security Holder	A registered holder of Stapled Securities.
Stapled Security Registrar	Link Market Services Limited (ABN 54 083 214 537)
Unit	An ordinary fully paid unit in RPT2 Trust.
We or our or us	The DRP Administrators.
You	A Stapled Security Holder.

IMPORTANT NOTE: Participating in the Distribution Reinvestment Plan will affect your tax and financial positions. Nothing in this information sheet is intended to provide advice regarding any investment you may choose to make in Stapled Securities. This information sheet illustrates some of the features of the plan with comments about the likely tax implications for some Australian Stapled Security Holders. Do not rely on those comments when deciding whether to participate as they might not apply to you. To the extent that any information in this information sheet may be 'general financial product advice', you should be aware that this information sheet has been prepared without taking account of your objectives, financial situation or needs. You should consider your own tax, legal and financial positions before deciding whether or how to participate and discuss your participation with your tax, legal and financial advisers if necessary. No product disclosure statement or prospectus is required for the allocation of Stapled Securities under the DRP, however the Gateway Lifestyle website provides access to continuous disclosure notices released to the ASX. You should consider these notices before making any decision about whether to participate in the DRP.

If you would like further information you may call our Securityholder Services team on 1300 554 474 between 8.30am and 7.30pm Monday to Friday. If you are calling from outside of Australia, our telephone number is +61 2 8280 7100 (please note this is a metered call).



22 May 2017

Dear Securityholder

Distribution Reinvestment Plan

Gateway Lifestyle Group (Gateway, GTY or the Group) wishes to advise the introduction of a Distribution Reinvestment Plan (DRP) to enable eligible securityholders to reinvest all or part of their distributions into GTY securities through the DRP.

Eligible securityholders may elect to have all or part of their distributions paid in GTY securities in accordance with the DRP rules. Securities will be provided under the DRP free of brokerage and other transaction costs. It is an easy and cost effective way to increase investment in GTY securities.

A copy of the DRP Information Sheet is available at the company's website - www.gatewaylifestyle.com.au.

The DRP will apply to the distribution for the half year ending 30 June 2017. A discount of 1% will apply to the issue of stapled securities under this plan initially. Stapled securityholders will be informed of any changes to the applicable discount.

All Gateway securityholders who have a registered address in Australia or New Zealand are eligible to participate in the DRP for stapled securities held on the relevant distribution record date.

What you need to do to participate in the DRP

You can elect to participate in the DRP by completing the attached Reinvestment Plan Application Form or by logging onto Link Market Services website at www.linkmarketservices.com.au. Completed participation forms must be lodged with the Security Registrar in accordance with the procedure set out in the DRP Information Sheet.

If you do not wish to participate in the DRP, you do not need to do anything. You will continue to receive distribution payments from the Group in accordance with current arrangements.

If you have any questions about your participation in the DRP, including in relation to your own tax, legal and financial positions, you should consult your tax, legal or financial adviser.

For further information, please call Gateway's Securityholder Services team on +61 1300 554 474.

Yours sincerely

Leanne Nolan
Company Secretary



SYDNEY Suite 303, 7-9 Irvine Place, Bella Vista NSW 2153
PO BOX 7899, Baulkham Hills NSW 2153
BRISBANE 8/8 Navigator Place, Hendra QLD 4011



02 8818 9600



info@gatewaylifestyle.com.au



www.gatewaylifestyle.com.au



X99999999999

A

REINVESTMENT PLAN APPLICATION OR VARIATION

Please use a **BLACK** pen. Print **CAPITAL** letters inside the shaded areas.

A B C

1 2 3

Where a choice is required, mark the box with an 'X'

X

This form is to be completed where the securityholder wishes to have their payments reinvested under the rules of the Reinvestment Plan.

I/We being the above named holder of registered securities wish to participate in the Plan as indicated below.

I/We authorise the application of the payment to me/us with respect to the number of securities participating in the Plan at the price and subject to the rules of the Plan.

I/We hereby agree to be bound by the rules of the Plan in subscribing for additional securities.

I/We acknowledge that I/we may vary or cancel my/our participation in the Plan, in accordance with the rules of the Plan. This will cancel any earlier Plan instructions and take priority over any direct credit instructions.

Degree of Participation (cross appropriate box):

☐

FULL PARTICIPATION

— Including any further acquisitions.

or

☐

PARTIAL PARTICIPATION —

Please specify the number of securities to participate in the Plan

--	--	--	--	--	--	--

B

SIGNATURE(S) OF SECURITYHOLDER(S) – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary/Director (delete one)

Director/Company Secretary (delete one)

Date ____/____/____

Signing Instructions: This form should be signed by the securityholder. If a joint holding, all securityholders should 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) (or for New Zealand companies, the *Companies Act 1993*).

Personal Information Collection Notification Statement: Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

GTY DRP002