



## Lifestyle Communities Limited

Level 2, 35 Market Street  
South Melbourne, VIC 3205  
ABN 11 078 675 153

### Notice of Extraordinary General Meeting

and

### Explanatory Memorandum to Shareholders

A proxy form is enclosed

Notice is hereby given of an Extraordinary General Meeting of the Company to be held at Level 23, 101 Collins Street, Melbourne on Wednesday, 27 March 2013 at 10:00am.

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return the enclosed proxy form in accordance with the specified instructions.

## Notice of Extraordinary General Meeting

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Notice is given that an extraordinary general meeting of Lifestyle Communities Limited ABN 11 078 675 153 (the **Company**) will be held at Level 23, 101 Collins Street, Melbourne, on Wednesday, 27 March 2013 at 10:00am. The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered.

### 1 Agenda items

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#### 1.1 **Resolution 1: approval of the issue of options to Bellwether Investments Pty Ltd, a related party of the Company**

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

“That the issue of 12,500,000 Options to Bellwether Investments Pty Ltd, a related party of the Company controlled by Mr Jim Craig, details of which are set out in section 2 of the Explanatory Memorandum attached to this Notice of Meeting, be approved for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes.”

#### 1.2 **Resolution 2: consolidation of shares**

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

“That the consolidation of shares in the Company, details of which are set out in section 3 of the Explanatory Memorandum attached to this Notice of Meeting, be approved for the purposes of section 254H of the Corporations Act and for all other purposes.”

### 2 Explanatory Memorandum

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Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this notice of meeting.

### 3 Entitlement to vote

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#### 3.1 **Snapshot date**

It has been determined that under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the EGM, shares will be taken to be held by the persons who are the registered holders at 7:00pm on Monday, 25<sup>th</sup> March 2013. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### 3.2 Voting exclusion

For the purposes of Resolution 1 (ASX Listing Rule 10.11) the Company will disregard any votes cast on this resolution by or on behalf of Bellwether Investments Pty Ltd, Mr Jim Craig and any associate of them unless the vote is cast in the following circumstances:

- by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

There are no voting exclusions in respect of Resolution 2.

### 3.3 Proxies

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the *Corporations Act 2001* (Cth); and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice and to be effective must be returned to the Company in any of the following ways:

- by delivery (by hand, mail, courier or facsimile ) to the Company Secretary, Lifestyle Communities Limited at its registered office:

Level 2, 35 Market Street  
South Melbourne VIC 3205  
Facsimile: +61 3 9682 1236

- by delivery (by hand, mail, courier or facsimile) to the Company's share registry:

Computershare Registry Services Pty Ltd

Yarra Falls

452 Johnston Street

Abbotsford VIC 3067

or

GPO Box 242

Melbourne 3001

Facsimile: +61 3 9473 2555 (outside Australia) or 1800 783 447 (within Australia)

by no later than 10:00am Monday, 25<sup>th</sup> March 2013.

**By Order of the Board**

*date*      26<sup>th</sup> February 2013 \_\_\_\_\_

*sign here* ►



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Company Secretary

# Lifestyle Communities Ltd ABN 11 078 675 153

## Explanatory memorandum to shareholders

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This Explanatory Memorandum has been prepared to help shareholders understand the business to be put to shareholders at the forthcoming extraordinary general meeting.

### 1 Background to the resolutions

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#### 1.1 Explanation of capital raising

On 20 November 2012 the Company announced a transformational equity raising via a 1:1 fully underwritten non-renounceable rights issue ("Entitlement Offer") to raise approximately \$33.5 million and a placement ("Placement") to raise approximately \$3 million. The issue price for shares offered under the Entitlement Offer and Placement was \$0.07 (7 cents) per share.

The Entitlement Offer and Placement successfully completed on 24 December 2012.

The net proceeds from the Entitlement Offer and Placement are being used by the Company to increase the equity available for the development of new communities and reduce debt.

Resolution 1 relates to the approval of the issue of options to Bellwether Investments Pty Ltd, a related party of the Company by virtue of being controlled by Jim Craig, a director of the Company. At the time the issue of options was agreed Jim Craig was not a director of the Company. The options are proposed to be issued as compensation for services provided by Jim Craig in connection with the capital raising. The proposed issue of options to Bellwether Investments was announced to ASX on 20 November 2012.

#### 1.2 Background to the share consolidation

Compared with its ASX-listed peers, the Company has a large number of shares on issue relative to its market capitalisation. That fact subjects the Company to a number of disadvantages including:

- (a) increased share price volatility due to the fact that the minimum movement in share price permitted by the ASX (0.1 cent) represents a higher proportion of the Company's share price than it would if the Company had a higher share price;
- (b) negative investor perceptions associated with a low share price; and
- (c) administrative inconvenience.

The Board believes that, if approved, the Consolidation will assist in eliminating or mitigating these disadvantages, thus making the Company more attractive to potential investors and establishing a share price more appropriate for a listed entity of the Company's size.

#### 1.3 If shareholders do not approve the Resolutions

If shareholders do not approve:

- (a) **Resolution 1;** the Company will be unable to issue options to Bellwether Investments Pty Ltd and will be required to pay to Bellwether Investments Pty Ltd an amount of \$155,500; and
- (b) **Resolution 2;** the Company will retain the large number of shares on issue, with the attendant disadvantages as described at section 1.2 above.

#### 1.4 Board recommendations

The Board:

- (a) other than Mr Jim Craig (who makes no recommendation), recommends that you vote in favour of Resolution 1; and

- (b) unanimously recommends that you vote in favour of Resolution 2, for the reasons set out in this Explanatory Memorandum.

## 2 Resolution 1: issue of options to Bellwether Investments Pty Ltd

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Approval is sought, for the purposes of section 208 of the Corporations Act and ASX Listing Rule 10.11, for the issue of 12,500,000 options to Bellwether Investments Pty Ltd, an entity controlled by Mr Jim Craig, a director of the Company.

### 2.1 Background

The Company has agreed, subject to obtaining shareholder approval, to allot a total of 12,500,000 options (**Options**) to Bellwether Investments Pty Ltd. Bellwether Investments Pty Ltd is controlled by Mr Jim Craig, a director and hence a related party of the Company. Accordingly, Bellwether Investments Pty Ltd is a related party of the Company.

The Company has agreed to pay to Bellwether Investments Pty Ltd an amount of \$155,500 in compensation if Resolution 1 is not approved.

The grant of Options to Bellwether Investments was agreed by the Company in consideration of the corporate and structuring advice, arranging and bookrunning and sub-underwriting undertaken by Mr Craig with respect to the Company's capital raising.

The Options expire five years from their issue and are exercisable at a price of \$0.08 per Option (on a pre-Consolidation basis).

### 2.2 Regulatory requirements

For the Company to give a financial benefit to a related party of the Company, the Company must:

- (a) obtain the approval of the Company's shareholders in the manner set out in Chapter 2E of the Corporations Act; and
- (b) give the benefit within 15 months of such approval.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party or a person whose relationship with the related party is, in ASX's opinion, such that approval should be obtained, unless an exception in ASX Listing Rule 10.12 applies.

The Company considers that the grant of Options to Bellwether Investments represents compensation payable for services provided by Mr Craig on terms which could be considered reasonable if the parties were dealing at arm's length. However, in circumstances where approval is required under ASX Listing Rule 10.11 in any event, and to avoid any uncertainty regarding the ability to rely on the arm's length term exception, the Company seeks shareholder approval under both ASX Listing Rule 10.11 and section 208 of the Corporations Act.

### 2.3 Shareholder approval

In accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Options:

- (a) The related party to whom Resolution 1 would permit the financial benefit to be given is Bellwether Investments Pty Ltd, an entity controlled by Mr Jim Craig, a director and hence related party of the Company.
- (b) The maximum number of Options granted to Bellwether Investments Pty Ltd is 12,500,000.
- (c) The Options will be issued to Bellwether Investments Pty Ltd no later than 1 month after the date of this meeting (and in any event before Consolidation occurs).
- (d) The Options will be issued for nil cash consideration. Accordingly, no funds will be raised.

- (e) On a post-Consolidation basis the Options will convert into 1,250,000 ordinary, fully paid shares in the Company (ie Options will convert into shares on a one-for-one basis) at an exercise price of \$0.80 per Option for a total exercise price of \$1,000,000.
- (f) If the Options are not issued, the Company will be required to pay to Bellwether Investments Pty Ltd an amount of \$155,500. This amount is lower than the value of \$203,228 ascribed to the Options using the Black Scholes Option Model calculated on 20 November 2012, which was the date on which agreement with Bellwether Investments Pty Ltd was reached to issue the Options (and the date on which the Capital Raising was announced). Bellwether Investments has agreed to forego the difference between the two values in the event that the Company is required to pay the cash amount rather than issue the Options.
- (g) The value of \$203,228 was calculated using the following key assumptions:
  - (1) Volatility of 43%;
  - (2) Risk-free rate of 2.73%;
  - (3) Term of 5 years from issue;
  - (4) Strike price of \$0.80 (on a post-Consolidation); and
  - (5) Exercise multiple of 1.5 to 2.0 (which assumes a high likelihood that the Options will be exercised in full during their term).
- (h) The terms and conditions of the Options are set out in section 2.5 below.
- (i) The Company considers the issue of Options to Bellwether Investments Pty Ltd to be appropriate on the basis of the corporate advisory services provided to the Company by Mr Craig in connection with the capital raising, including assisting with the arranging and bookrunning of the capital raising as well as sub-underwriting, through a corporate entity, approximately \$1.9 million worth of shares under the capital raising. The primary purpose of the issue of Options to Mr Craig is to provide compensation for these services (at what the Company believes could be considered to be arm's length terms).
- (j) After issuing the Options, and on a post-Consolidation basis, Mr Craig will have an interest in 2,750,000 shares and 1,250,000 unlisted options (exercisable at \$0.80 each and expiring 5 years from issue).
- (k) On a post-Consolidation basis, assuming all of the options on issue are exercised (including the Options), the Company will have a fully diluted share capital of 103,760,341 shares.
- (l) The market price for the Company's shares during the term of the Options will determine whether the Options are exercised. If at any time any or all of the Options are exercised and the shares are trading on ASX at a price that is higher than the exercise price of the Options there may be a perceived cost to the Company.
- (m) For the 12 month period prior to the date of this notice, the Company's shares have traded as high as 10.2 cents and as low as 7.6 cents.

#### **2.4 Board recommendations**

- (a) Mr Craig, by virtue of his interest in the outcome of Resolution 1, declines to make a recommendation to shareholders on the basis that a company he controls, Bellwether Investments Pty Ltd, will be issued the Options if Resolution 1 is approved.
- (b) Every other director of the Company, except for Mr Craig:
  - (1) recommends that Resolution 1 be approved; and
  - (2) confirms that no other director has an interest in Resolution 1.
- (c) In forming their recommendations, each director (other than Mr Craig) considered:
  - (1) the services provided to the Company by Mr Craig during the recent capital raising;
  - (2) the experience and skill of Mr Craig as a newly appointed director of the Company;

- (3) the current market price of the shares;
- (4) the current market practice when determining the value of the Options; and
- (5) the exercise price and expiry date of the Options.

## **2.5 Terms and conditions of Options**

The Options entitle the holder to subscribe for shares on the following terms and conditions:

- (a) Each Option gives the holder the right to subscribe for one share.
- (b) Each Option will expire at 5.00pm on the day that is 5 years after their issue, which is expected to be 28 March 2013. An Option not exercised before expiry will automatically lapse on this date.
- (c) The amount payable upon exercise of each Option will be \$0.08 (on a pre-Consolidation basis) and \$0.80 (on a post-Consolidation basis). On a post-Consolidation basis a total of 1,250,000 shares will be issued (and \$1,000,000 raised by the Company) if all of the Options are exercised.
- (d) The Options may be exercised in whole or in part at any time after their issue and before expiry.
- (e) The Options are fully transferable.
- (f) All shares issued on exercise of the Options will upon issue rank pari passu in all respects with the Company's fully paid ordinary shares on issue.
- (g) The Company will not apply for quotation of the Options on ASX. However the Company will apply for quotation of all shares issued pursuant to the exercise of Options as soon as practicable after their issue.
- (h) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and ASX Listing Rules at the time of the reconstruction.
- (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the term of the Options without exercising the Options.
- (j) In the event that the Company undertakes a pro rata issue (except a bonus issue) of shares to shareholders after the date of issue of the Options, the exercise price of the Options will be reduced in accordance with the ASX Listing Rules (and in particular Listing Rule 6.22.2).
- (k) In the event that the Company undertakes a bonus issue of shares after the date of issue of the Options, the number of shares over which an Option is exercisable will be increased by the number of shares which the holder would have received if the Option had been exercised before the record date of the bonus issue.

## **3 Resolution 2: consolidation of shares**

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Approval is sought, for the purposes of section 254H of the Corporations Act and for all other purposes, to convert every 10 ordinary shares in the Company on issue into one share (subject to rounding) in the Company (**Consolidation**) and to effect the Consolidation according to the timetable set out below.

### **3.1 Regulatory requirements**

Section 254H of the Corporations Act provides that a company may convert all or any of its shares into a larger or smaller number of shares by resolution passed at a general meeting.

Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out below.

### **3.2 Effect of the Consolidation on the number of securities**

As set out above, the effect of the resolution, if passed, will be to consolidate the Company's share capital in a ratio of 1 share for every 10 shares held (subject to rounding). Any fractional

entitlements as a result of holdings not being evenly divisible by 10 will be rounded down to the nearest whole number.

The Consolidation will apply equally to all shareholders (subject only to the rounding of fractions) and will not result in any change to the substantive rights and obligations of shareholders. The Company's balance sheet and tax position will not be altered as a result of the Consolidation.

### Fully paid ordinary shares

The effect of the Consolidation on fully paid ordinary shares is as follows:

	Pre-Consolidation	Post-Consolidation*
<b>Number on issue</b>	999,703,416	99,970,341

\*Subject to rounding. Any fractional entitlements as a result of holdings not being evenly divisible by 10 will be rounded down to the nearest whole number.

Theoretically, the market price per share following the Consolidation should increase to 10 times its current level. The actual effect on the market price per share will depend on a number of factors outside the control of the Company and the market price per share may be higher or lower than the theoretical post-Consolidation price.

### Options

The effect of the Consolidation on options outstanding over unissued shares is as follows:

Options	Pre-Consolidation		Post-Consolidation	
	Exercise price	Number	Exercise Price	Number*
24/11/2015	\$0.20	150,000	\$2.00	15,000
24/11/2015	\$0.065	12,750,000	\$0.65	1,275,000
28 March 2018 <sup>^</sup>	\$0.08	12,500,000	\$0.80	1,250,000
28 March 2018 <sup>#</sup>	\$0.08	12,500,000	\$0.80	1,250,000

\*Subject to rounding. Any fractional entitlements as a result of holdings not being evenly divisible by 10 will be rounded down to the nearest whole number.

<sup>^</sup> 5 year options to be issued to GMH Services Pty Ltd as disclosed in the Company's announcement of 20 November 2012.

<sup>#</sup> Assumes Resolution 1 is approved.

### Taxation implications

Shareholders and option holders are advised to seek their own tax advice on the effect of the Consolidation. Neither the Company, the directors nor the Company's advisors accept any responsibility for the individual taxation implications arising from the Consolidation.

### 3.3 Proposed timetable for Consolidation

If Resolution 2 is passed, the Consolidation will take effect in accordance with the following timetable:

<b>Event</b>	<b>Date</b>
Meeting to approve Consolidation and other proposed resolutions	Wednesday, 27 March 2013
Last day for ASX trading of shares on a pre-Consolidation basis Last day for option holders to exercise their options on a pre-Consolidation basis	Thursday, 28 March 2013
Commencement of trading in post-Consolidation shares on a deferred settlement basis	Tuesday, 2 April 2013
Last day for the Company to register transfers on a pre-Consolidation basis Last day for the Company to issue shares resulting from the exercise of options on a pre-Consolidation basis	Monday, 8 April 2013
First day for the Company to register shares on a post-Consolidation basis First day for the Company to issue holding statements for shares and options on a post-Consolidation basis	Tuesday, 9 April 2013
Dispatch of new holding statements to shareholders and option holders Deferred settlement trading ends	Monday, 15 April 2013
Normal T+3 trading commences	Tuesday, 16 April 2013
Settlement of trades conducted on a deferred settlement basis and first settlement of trades conducted on the normal T+3 basis	Friday, 19 April 2013

The above dates are indicative only and are subject to change without notice.

### **3.4 Board recommendation**

The Board unanimously recommends that shareholders vote in favour of Resolution 2, either by attending the meetings in person or by ticking the box marked “For” and submitting your proxy form in accordance with the instructions in the Notice of Meeting.

For the reasons set out above, the directors of the Company believe that the Consolidation is fair and reasonable to shareholders as a whole and that it is in the best interests of the Company.

## **4 Voting exclusions**

The Company will disregard any votes cast:

- (a) On Resolution 1 by:
  - (1) Bellwether Investments Pty Ltd, Mr Jim Craig and any associate of either of them; and
  - (2) any person who might obtain a benefit, except a benefit solely in the capacity as an ordinary shareholder, if the resolution is passed.
- (b) Notwithstanding paragraph (a) above, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Company's general meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

There are no voting exclusions in respect of Resolution 2.

## 5 Resolutions

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To validly pass an ordinary resolution, more than 50% of the votes cast by members entitled to vote on the resolution must be in favour of the resolution.

## 6 Proxy voting information

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You can vote by either:

- attending the meeting and voting in person or, if you are a corporate member, by corporate representative voting for you; or
- appointing a proxy to attend and vote for you, using the enclosed voting and proxy form.

Corporate members should comply with the execution requirements set out on the Proxy Form or otherwise comply with the provisions of Section 127 of the Act. That section provides that a company may execute a document without using its common seal if the document is signed by:

- 2 directors of the company; or
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

If a person who executes the document or witnesses the affixing of a common seal is the sole director and sole company secretary of the company, he or she must state that next to his or her signature.

## 7 Voting in person

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If you plan to attend the meeting, we ask that you arrive at the meeting venue at least 15 minutes prior to the time designated for the meeting so that we may check your security holding against our register of members and note your attendance.

## 8 Voting by corporate representative

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If a corporate member plans to attend, it must appoint a person to act as its representative and the appointed person must bring appropriate written evidence of the appointment to the meeting signed under the corporation's common seal or under the hand of an officer, attorney or other person authorised by the corporation to sign in accordance with the provisions of section 127 of the Corporations Act.

## 9 Voting by proxy

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If you do not intend to attend the meeting and are entitled to vote on the resolutions, you may select a representative or the chairman of the meeting to act as your proxy to attend and vote for you. A representative may be a natural person or a body corporate. A proxy need not be a member of the Company.

Your proxy can be appointed in respect of some or all of your votes. If you are entitled to cast 2 or more votes at the meeting you may appoint 2 proxies each to represent a specified proportion of your voting rights.

Your proxy will also have the right to speak at the meeting and demand a poll.

You can use the attached proxy form to appoint a proxy. A reply paid envelope has also been included with the Notice of Meeting for return of the proxy form.

Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with applicable company law; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If such evidence is not received prior to the commencement of the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

If the voting and proxy form is signed by an attorney or authorised person, a certified copy of the power of attorney or other document signed by or on behalf of the member detailing the person's authority must be provided prior to the commencement of the meeting.

Completion of a proxy form will not prevent individual members from attending the meeting in person if they wish. Where a member completes and lodges a valid proxy form and attends the meeting in person and votes on a resolution, the proxy is not entitled to vote, and must not vote, on the resolution.

## 10 How will my proxy vote?

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You can direct your proxy how to vote using the proxy form. All your shares 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 shares you wish to vote in the appropriate box or boxes.

If you do not mark any of the boxes on a given item, your proxy may vote, or abstain from voting, as he or she chooses.

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 vote will not be counted in computing the required majority on a poll.

If you mark more than one box on an item your vote on that item will be invalid.

The chairman of the meeting intends to vote undirected proxies in favour of each of the items of business on the notice of meeting.

Shareholders and their proxies should be aware of new sections 250BB and 250BC of the Corporations Act that took effect on 1 July 2011.

Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chairman, who must vote the proxies as directed.

## 11 Instructions for Nominee holders

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Nominee holders are advised that if they are instructed to vote on behalf of beneficiaries on whose behalf they hold shares they must provide, with their proxy form or on a poll, to the Company's registered office or corporate registry (Computershare Investor Services Pty Limited) a

schedule identifying the beneficiaries on behalf of whom the nominee is voting and the number of shares held by each such beneficiary. In addition, as noted in the Voting Exclusions outlined above, nominees may only vote on behalf of a beneficiary where they have received a written instruction to do so (evidence of which may be required).

## 12 Timing

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For the appointment of a proxy to be effective, you must ensure that your proxy form is received by the Company or the Company's registry, Computershare Investor Services Pty Limited, not less than 48 hours before the time of the meeting, ie no later than 10:00am Monday, 25<sup>th</sup> March 2013.

Details on how to submit your proxy form are set out in Section 3.3 of the notice of meeting.

A reply paid envelope is enclosed for the return of the proxy form by mail.

**Lodge your vote:**



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 LIC  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Proxy Form**

**For your vote to be effective it must be received by 10am Monday, 25 March 2013**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

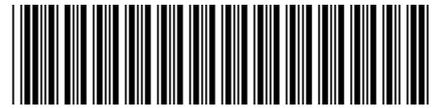
**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lifestyle Communities Limited hereby appoint

the Chairman of the meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Lifestyle Communities Limited to be held at Level 2, 25 Market Street, South Melbourne, VIC 3205 on Wednesday, 27 March 2013 at 10am and at any adjournment of that meeting.

### STEP 2 Items of Business

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

	For	Against	Abstain
Item 1 Approval of the issue of options to Bellwether Investments Pty Ltd, a related party of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Consolidation of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / /