



Lifestyle Communities Limited  
104 Tope Street,  
South Melbourne Vic 3205  
ABN 11 078 675 153

**Lifestyle Communities Limited  
Annual General Meeting**

**Notice is hereby given of the Annual General Meeting of the company to be held at  
St. Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church)  
on Thursday 20 November 2008 at 10:30am.**

17 October 2008

Dear Shareholder,

On behalf of Lifestyle Communities Limited, I would like to invite you to attend our Annual General Meeting on Thursday 20 November 2008 at 10:30am to be held at St. Michaels Centre, 120 Collins Street, Melbourne (behind St. Michaels Church).

Full details of the meeting are set out in the enclosed Notice of Annual General Meeting and accompanying documentation, including a Proxy Nomination Form and information on the proposed resolutions for consideration by members.

The company will no longer be mailing a hard copy of the Annual Report to every member. The 2007/08 Lifestyle Communities Limited Annual Report (including Auditors Report and Directors Report) is now accessible at [www.lifestylecommunities.com.au](http://www.lifestylecommunities.com.au) under the Investor Information section to either read online or shareholders may choose to download a copy from the website. However should you like us to send you a hard copy of the Annual Report and have not previously requested a copy, please make the request in writing to Investor Relations, Lifestyle Communities Limited, 104 Tope Street, South Melbourne, Victoria, 3205.

The next twelve months for your company promises even more activity with the continued development of several projects across Victoria. Lifestyle Communities is in an exciting phase of growth and I look forward to your continued support of the Company.

Yours sincerely



James Kelly  
Managing Director  
17 October 2008



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of the Company will be held at St Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church) on Thursday 20 November 2008 commencing at 10:30am.

### **AGENDA**

#### **Business**

- Presentation of the Financial Statements for the year ended 30<sup>th</sup> June 2008.
- To receive and consider the Financial Report of the Company for the year ended 30<sup>th</sup> June 2008 and the related Directors' Report, Directors' Declaration and Auditor's Report.

#### **Resolution 1: Approval of the Lifestyle Communities Remuneration Report**

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

"That the Remuneration Report that forms part of the Company's Directors' Report of the Company for the financial year ended 30<sup>th</sup> June 2008 be adopted."

Please note that a vote on this resolution is advisory only and does not bind the Directors or the Company. Directors of the Company recommend you vote in favour of this resolution.

#### **Resolution 2: Re-election of a Director retiring by rotation**

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

"That Mr. Dael Perlov, having retired by rotation in accordance with Clause 8.1 of the Company's Constitution, being eligible and offering himself for re-election be re-elected."

The Directors of the Company recommend you vote in favour of this resolution.

#### **Resolution 3: Re-election of a Director retiring by rotation**

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

"That Mr. Bruce Carter, having retired by rotation in accordance with Clause 8.1 of the Company's Constitution, being eligible and offering himself for re-election be re-elected."

The Directors of the Company recommend you vote in favour of this resolution.

#### **Resolution 4: Mr. Tim Poole be ratified as a Non-Executive Director of the Company**

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

"That Mr. Tim Poole, being eligible, offers himself for election as a Non-Executive Director of the Company in accordance with Clause 8.1(e) of the Company's Constitution."

The Directors of the Company recommend you vote in favour of this resolution.



**Resolution 5: Approve the Company's Employee Share Option Plan**

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

"That the Employee Share Option Plan, described in the Explanatory Information accompanying the Notice of Annual General Meeting, is approved for all purposes and the issue of Options under that plan is approved as an exception to Listing Rule 7.1."

The Directors of the Company recommend you vote in favour of this resolution.

**Resolution 6: Appointment of new Auditor**

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

"That the firm *Pitcher Partners*, who have consented in writing to act as auditor of the Company, be appointed as auditors of the Company"

The Directors of the Company recommend you vote in favour of this resolution.

**NOTES AND EXPLANATORY INFORMATION**

1. VOTING

- a) The Company has determined that the shares of the Company that are quoted on the Australian Stock Exchange as at 7pm on Tuesday 18<sup>th</sup> November 2008 will be eligible to vote. Accordingly, those persons will be entitled to attend and vote at the meeting.
- b) A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, each proxy may be allocated a proportion or number of the member's voting rights. If a proportion or number is not specified, each proxy may exercise half the member's voting rights.
- c) A proxy duly appointed need not be a member. In the case of joint holders, all must sign the proxy form.
- d) A proxy form accompanies this notice. To be effective, the proxy form and any document necessary to show the validity of the proxy form must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the meeting. Any proxy form lodged after that time will be treated as invalid.
- e) Directors and officers of all corporate shareholders should note that, unless the corporate shareholder:
  - i) completes and lodges with the Company a valid proxy form; or
  - ii) appoints an individual representative in accordance with the provisions of Section 250D of the Corporations Act 2001 ("the Act") and provides evidence of the appointment at the meeting ; or
  - iii) has appointed an attorney,



and the proxy, representative or attorney attends the meeting, then the corporate shareholder will be unable to exercise any votes at the meeting.

- f) Proxy forms and corporate representative appointment forms may be returned to the Company in any of the following ways:
  - i) by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Lifestyle Communities Limited at its registered office:
    - 104 Tope Street
    - South Melbourne VIC 3205
    - Facsimile : +61 3 9682-1236
  - ii) 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
    - Or Facsimile: +61 3 9473 2555
  
- g) 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:
  - i) 2 directors of the company; or
  - ii) a director and a company secretary of the company; or
  - iii) for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2) of the Act. This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable.

In particular, if 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.

- h) Completion of a proxy form will not prevent individual members from attending the meetings 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.
  
- i) Where a proxy form or form of appointment of or certificate of appointment of a corporate representative is lodged and is executed under power of attorney the power of attorney must be lodged in the same manner as a proxy form.



## 2. VOTING EXCLUSION STATEMENT

The Company will, in relation to each resolution, disregard any votes cast on the resolution by any director that will benefit from or named in that resolution or any associate of that Director within the meaning of the Act.

However, the Company will not disregard a vote if:

- i) it is cast by any such person or any of its associates as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- ii) it is cast by the person chairing the 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.

## EXPLANATORY NOTES

### **Resolution 1: Approval of the Lifestyle Communities Remuneration Report**

Resolution 1 on the Notice of Meeting provides for approval of the Remuneration Report which formed part of the report of the directors in the Annual Report of the Company for the financial year ended 30 June 2008. As stated in the Notice of Meeting the resolution is advisory only and does not bind the directors or the Company.

### **Resolution 2: Re-election of a Director retiring by rotation**

Under the Company's constitution, one third of the directors of the Company (other than the Managing Director and a director appointed by the directors since the last AGM) must retire from office as directors at each AGM.

Mr Dael Perlov is due to retire from the Board in accordance with the constitution, but, being eligible, offers himself for re-election.

A founding member of Lifestyle Communities, Dael was appointed as Executive Director, Operations in 2007. With more than 19 years sales and marketing experience, Dael has a strong background in business innovation and service delivery to both consumer and corporate markets. This experience is invaluable in establishing the robust systems and procedures needed to operate Lifestyle Communities.

### **Resolution 3: Re-election of a Director retiring by rotation**

Under the Company's constitution, one third of the directors of the Company (other than the Managing Director and a director appointed by the directors since the last AGM) must retire from office as directors at each AGM.

Mr Bruce Carter is due to retire from the Board in accordance with the constitution, but, being eligible, offers himself for re-election.

A founding member of Lifestyle Communities, Bruce has more than 21 years' experience in financial and business management. Bruce brings to Lifestyle Communities extensive knowledge and experience in financial markets including building and managing complex Australian stock exchange-listed companies.



**Resolution 4: Mr. Tim Poole be ratified as a Non-Executive Director of the Company**

Under the Company's constitution, any director appointed by the directors since the last AGM, as an additional director or to fill a casual vacancy, must retire from office as a director at the next AGM.

Tim was appointed to the board of Lifestyle Communities Limited, as a Non-Executive Director on 22 November 2007. He has a Bachelor of Commerce from University of Melbourne and is a Chartered Accountant. Mr Poole is Chairman of Asciano Group, Non-Executive Director of Newcrest Mining Limited and a Director of Victorian Racing Club. He is also a Member of the Investment Committee of the industry superannuation fund AustralianSuper and a Member of the LEK Consulting Advisory Board. Formerly he was the Managing Director of Hastings Funds Management.

**Resolution 5: Approve the Company's Employee Share Option Plan**

Under resolution 5, the Company seeks approval of the Employee Share Option Plan ("the Plan").

ASX Listing Rule 7.1 restricts to 15 per cent of the existing securities on issue the number of securities a listed entity may issue in any 12 month period without member approval.

The restriction does not apply to issues of securities that fall within a permitted exemption. One such exemption is for issues of securities under an employee incentive scheme where holders of ordinary securities have approved the issue of securities as an exception to Listing Rule 7.1.

The following is a summary of the terms of the Plan:

- The purpose of the Plan is to provide eligible employees with an opportunity to acquire options ("Options") to subscribe for ordinary shares in the Company ("Shares"), thereby enabling them to share in any growth in value of the Company, encouraging them to improve the longer term performance of the Company and its returns to shareholders and enabling the Company to motivate and retain eligible employees.
- The Company may issue Options to eligible employees. Eligible employees are full or part-time employees of the Group including directors of Group Companies.
- The Board is not entitled to make an offer of Options if offers of Options (or other securities of the Company) under the Plan or under similar plans (excluding offers that do not require the use of a disclosure document) in the previous 5 years would exceed 5% of the issued Shares at the time of the offer.
- Options will be granted free of charge.
- The exercise price for each Option will be determined by the Board, but must not be less than 95% of the weighted average of the prices at which Share were traded on the ASX during the period of one month up to and including the day upon which the exercise price for the Option is determined.



- An eligible employee may not accept an offer of Options if, immediately after the grant of the Options, the employee would hold more than 5% of the Shares.
- No offer of Options may be made, unless otherwise permitted by ASIC or the Corporations Act, unless shares have been quoted by ASX throughout the 12 month period immediately before the offer without suspension for more than a total of 2 trading days during that period.
- Each Option gives the holder the right to take up one newly-issued ordinary share in the Company upon payment by the holder of the exercise price.
- The holder will not be able to exercise his or her Options until they have vested, meaning that any conditions attaching to the exercise of the Options have been met. The Board can determine the conditions (if any) that apply at its discretion.
- The period during which Options may be exercised will be determined by the Board but generally will be not more than 5 years from the date of grant. The exercise period will commence on the first, second or third anniversary of the date of grant of the Options as determined by the Board. The holder may exercise the Options earlier if special circumstances apply, such as death, total and permanent disability, retirement or retrenchment.
- Options generally lapse if the holder fails to exercise the Options before the end of the exercise period or before the end of certain time periods following cessation of the holder's employment or engagement. The amount of time following cessation that a holder is allowed to exercise his or her Options before they lapse will depend on the reason for the cessation under the Plan rules (for example, serious misconduct, retirement, death or permanent disability). The Board has a discretion to determine that some or all of the Options of a holder will not lapse if the holder ceases to be employed or engaged by a Group Company.
- Options are not transferable except to the holder's legal personal representative if the holder dies or is mentally incapacitated or with the prior consent of the Board in its absolute discretion.
- The Board may grant Options on terms that include a disposal restriction. If a disposal restriction applies, the holder must not sell any Shares issued as a result of the exercise of the Options until the earlier of the end of the restriction period (which will be determined by the Board) and the time the holder ceases to be employed or engaged by a Group Company.
- Holders of Options will have their entitlements adjusted to take account of bonus issues, rights issues and capital reorganisations.
- The Company will apply to the ASX for quotation of any new Shares issued on exercise of Options.
- The Board may amend the rules of the Plan at any time or terminate it or suspend its operation.



The Plan is available for inspection at the registered office of the Company during normal business hours.

**Resolution 6: Appointment of new Auditor and resignation of current Auditor**

The Company's current auditor, Mr Don Brumley of Ernst & Young, has given notice to the Board of his intention to resign as auditor of the Company, pursuant the Corporations Act 2001, which provides that an auditor of a company may, by giving notice in writing, resign as auditor of the company if:

- (a) the auditor has, by notice in writing given to the Australian Securities and Investments Commission ("ASIC"), applied for consent to the resignation; and
- (b) the consent of the ASIC has been given.

Mr Brumley has applied to ASIC for its consent to his resignation as auditor of the Company, effective on the date of the Company's AGM. The company acknowledges the support received from Ernst & Young since the company was listed and appreciates the harmonious relationship that exists between the two companies.

**Resolution 6 to appoint a new auditor of the Company will only be put forward if the consent of ASIC to Mr Brumley's resignation has been given at the time of the AGM.**

**Appointment of new auditor**

If prior to the time of the AGM, ASIC gives its consent to the resignation of Mr Brumley as the Company's auditor, his resignation will take effect from the date of the AGM. Upon Mr Brumley's resignation, it will be necessary for the Company to appoint a new auditor to fill the vacancy.

Mr David Paranthoienne, a member of the Company, has nominated the firm *Pitcher Partners* as auditor of the Company, pursuant to sub-section 328(1) of the Corporations Act 2001. *Pitcher Partners* are eligible and have consented to being appointed auditor of the Company as required by the Corporations Act 2001. The directors are of the opinion that the needs of a company of the size of the Lifestyle Group will be better served by a smaller firm of auditors. *Pitcher Partners* have proven themselves to be a very professional firm and it is anticipated that a change at this time will be of benefit to the company.

The Board recommends the appointment of the firm *Pitcher Partners* as the auditor of the Company.