



TRADING POLICY

Authority

Revision Details: **Rev D dated 18 December 2015**

Effective Date: This policy is effective from 18 December 2015 until repealed.

Authorised By: The Board of Directors

Applicability

This Trading Policy applies to all:

- directors of the company (including Alternate directors);
- employees and officers of the Company (including key management personnel);
- contractors and consultants to the Company.

Background Information

The Australian Corporations Act 2001 ("the Act") prohibits trading in the Securities of a company (buying or selling) when in possession of Inside Information about that company. The Act also prohibits passing on Inside Information to another person where you know, or should reasonably have known that the person is likely to trade in the shares of the company or that they would procure another person to do so. Collectively this is commonly referred to as Insider Trading.

A person who contravenes the Insider Trading provisions of the Act:

- is liable to prosecution by the Australian Securities and Investments Commission. Penalties can include fines and gaol sentences;
- may be ordered to pay compensation to any person who suffered a loss as a result;
- may be sued by a party that has suffered a loss as a result; and
- may be sued by the company.

WARNING: The Insider Trading requirements of the Act are extremely serious provisions and contravention of these requirements can have very serious consequences for the individuals involved.

Additionally, the Company is bound by further requirements in respect of Insider Trading imposed through the Listing Rules by the Australian Securities Exchange ("ASX").

Policy Intent

The intent of this Trading Policy is to:

- Educate all persons associated with the Company about their obligations when trading in the Securities of the Company;
- To prevent a breach of the Insider Trading provisions of the Act by persons associated with the Company;
- To ensure a proper market for the Company's Securities is maintained that supports shareholder and investor confidence;
- To ensure that persons associated with the Company can continue to support the Company by acquiring Securities in the Company when it is legal to do so, on a fair and equitable basis that is substantively the same as other investors;
- To comply with the ASX Listing Rules.

This Trading Policy is intended to properly inform and educate those associated with the Company about their obligations in respect of trading in the Company's Securities. This Trading Policy is intended to be read and understood by all new directors, officers, employees, consultants and contractors to the Company. It should also be referred to from time to time and particularly where a person associated with the Company wishes to clarify their responsibility in trading in the Company's Securities at law and to the Company.

It is very important to the Company that it sustains its reputation for maintaining the confidentiality of Inside Information until it is released formally to the ASX. The integrity of this process ensures that all investors have a "level playing field" for the release of price sensitive information, which inspires investor confidence in the Company and its Securities. This in turn benefits all parties associated with the Company. The Board of Directors takes this particular responsibility very seriously.

In framing this Trading Policy, the Board of Directors is also very mindful of not discouraging directors, officers and employees of the Company from acquiring Securities of the Company because it demonstrates to shareholders their commitment and belief in the Company and provides further reward for successful performance. This why the Board of Directors has relied, and always will, primarily on the requirement of the Act, being that a person with Inside Information is prohibited from trading in the Securities of the Company and also providing Inside Information to others for the purpose of Trading.

Any extension of this requirement through additional policy directives could have the affect of being a disincentive to people associated with the Company from holding its Securities and would therefore have the potential to negatively impact the attraction and retention of good quality directors, officers and employees.

However, the Company is bound to comply with the ASX Listing Rules and these rules require this Trading Policy to extend beyond the basic concept of the Act through the application of certain policy requirements that ASX has deemed will improve market operations.

The ASX Listing Rules introduce the concept of Closed Periods. These are periods of time determined by the Company when persons associated with the Company are not permitted to Trade in the Securities of the Company. These can be predetermined based on events such as the release of announcements or regular reports or they can be determined by the Company in response to specific Inside Information.

The current nature of the Company's operations is such that the Annual, Half Yearly and Quarterly Reports rarely contain any Inside Information that has not previously been released to the market. Therefore the routine Closed Periods pertaining to these Reports are very short. This aspect of the Trading Policy will be reconsidered during each annual review of the Trading Policy.

Should the Managing Director determine that a routine report contains Inside Information, he or she will notify relevant people that the Closed Period in advance of the report will commence earlier than usual.

Where the Company determines that a Closed Period is required you will be informed in writing if it is pertinent to you. The existence of a Closed Period implemented by the Company (other than one linked to a regular reporting event) is itself Inside Information. Therefore the Company will determine who will be notified of any Closed Period on a case by case basis. Should you become aware of the implementation of a Closed Period about which you have not been specifically advised, you are then in possession of Inside Information and are not permitted to Trade in the Securities of the Company by law and by the operation of this Trading Policy.

PLEASE NOTE, the fact that you have not been notified in writing of a Closed Period by the Company does not in any way imply that you are permitted to Trade in the Securities of the Company if you are in possession of Inside Information.

Some common examples of Inside Information are listed below but this is by no means an exhaustive list:

<i>Financial forecasts</i>	<i>Exploration results</i>	<i>Joint Venture Negotiations</i>	<i>Mergers or takeovers</i>
<i>Board appointments</i>	<i>Expenditures</i>	<i>Substantial shareholders actions</i>	<i>Cash reserves</i>
<i>Business plan changes</i>	<i>New projects</i>	<i>New discussions with companies</i>	<i>Sale/Purchase of assets</i>
<i>Feasibility study results</i>	<i>Government approvals</i>	<i>Legal disputes or claims</i>	<i>Capital raisings</i>

If in any doubt about whether it is appropriate for you to Trade in the Securities of the Company please contact the Company Secretary.

Persons associated with the Company should familiarise themselves with the Policy Statement below.

Important Definitions

The Act means the Corporations Act 2001 (Cth)

ASX means the Australian Securities Exchange

Closed Period means, in respect of a person associated with the Company:

- any day upon which the Managing Director or Chairman of the Company has advised that person that a Closed Period is in force; or
- where this Trading Policy deems a Closed Period to be in place in respect of Scheduled Reporting Events.

The Company means Living Cities Development Group Limited

Inside Information means information concerning the Company that is not generally available to people who commonly invest in securities, which, if made public, would be likely to have a material impact on the price of the Company's Securities. It does not matter how you become aware of the Inside Information (formally advised or accidentally overheard) and Inside Information includes incomplete information, the activities of personnel within the Company, rumours and even supposition.

Note While this Trading Policy relates to the Company, the Insider Trading laws in the Act apply to trading in the securities of all companies. You may become aware of inside information about a third party that is dealing with the Company during the course of your duties but the Act prohibits you from trading in the Shares of that third party also.*

Insider Trading means:

- Trading in the Securities of the Company when in possession of Inside Information; and/or
- passing Inside Information to another person where you know or might reasonably be expected to know that they would trade in the Securities of the Company or procure someone else to do so.

Listing Rules means the Listing Rules of the ASX.

Scheduled Reporting Events means in respect of the Company, the release of the Annual Report, the Half Yearly Report and Quarterly Reports.

Securities means in respect of the Company, its ordinary shares, options (listed and unlisted), convertible notes, warrants, performance rights and any other tradable financial instrument.

Trading means buying and selling Securities and entering into agreements that might result in the sale or purchase of Securities (including using Securities as loan collateral, margin loans or any form of hedging of Securities).

Policy Statement

1. You must not Trade in the Securities of the Company and/or commit an act of Insider Trading if:
 - a. you are in possession of Inside Information; and/or
 - b. you have been advised that a Closed Period is in place.
2. You must not engage in speculative Trading (short term buying and selling) in the Company's Securities.
3. You must not enter into a hedging, margin lending arrangement or other agreement that might result in the Trade in your Securities of the Company being beyond your control without the prior written acknowledgment of the Chairman (or in the case of the Chairman, the Managing Director).
4. The Managing Director and/or Chairman of the Company may implement a Closed Period whenever deemed necessary and for the duration deemed necessary and may communicate the implementation of the Closed Period to any person associated with the Company in writing.

5. Closed Periods automatically apply to all persons associated with the Company when aware of the following circumstances:

Company Event	Closed Period *
On release of a price sensitive ASX announcement [#]	Three trading days prior and one trading day upon release
Quarterly Reports	Five trading days prior and one trading day upon release
Half Yearly Reports	Three trading days prior and one trading day upon release
Annual Reports	Three trading days prior and one trading day upon release
General Meetings (Including AGM)	Three trading days prior, the meeting day

* Where the event is announced while the market is open the number of 'trading days' includes the day the day of the announcement. Where the event is announced while the market is closed the "trading day" count commences on the next trading day on which the market is open for trading.

The Managing Director or Chairman will determine any further Closed Period restrictions as required ahead of any price sensitive announcement.

6. Notwithstanding Policy Statement 1 above, this Trading Policy does not prohibit Trading in the Securities of the Company as follows:

- a. Transferring Company Securities from personal holdings to superannuation accounts where you and/or your spouse are the beneficiary;
- b. Agreement to, or acceptance of, a takeover offer;
- c. Acceptance of any offer or rights made available by the Company to the majority of shareholders in a class of Securities (i.e. Rights Issues, Buy Backs, Security Purchase Plans) where such schemes are consistent with the Listing Rules;
- d. The sale of your Securities by a third party lender exercising their existing contractual rights;
- e. In circumstances where you are a trustee but not a beneficiary of a trust and another trustee(s) takes the decision to Trade in the Securities of the Company;
- f. The exercise of Options, Rights or conversion of convertible Securities whereby the last date for such actions falls before the Inside Information is released to the market;
- g. Selling Securities of the Company in response to a Court Order; and
- h. Selling Securities of the Company in a case of extreme unforeseen circumstances or extreme financial hardship that has been approved (entirely at the Company's discretion) in writing in advance by the Managing Director or the Chairman.

NOTE Any person that Trades in the Securities of the Company in reliance on Policy Statement 6 does so at their own risk and the Company makes no representation whatsoever that any such Trading is legal under the Act when you are in possession of Inside Information.*

Policy Administration

Breach of this Trading Policy

Breaches of this Trading Policy will be taken very seriously by the Company and may result in dismissal for employees or termination of contract for contractors and consultants. This is in addition to any criminal or civil liability that may apply.

Notifications under this Trading Policy

Any notifications in writing under this Trading Policy may be provided in person, by facsimile or by email.

In respect of the notification requirements in respect of Policy Statement 3 above, notification is to be in writing and is to include the number of Securities, any trigger points or unilateral rights of third parties to sell or transfer the Securities and all other key terms and material details.

In respect of applications under Policy Statement 6h, the applications must be in writing and provide sufficient information and detail to prove that the circumstances are extreme and there is no other course of action available. Applicants should understand that approval under Policy Statement 6h will be given in very limited circumstances only and that, if approved, a limited trading window of just a few days will be determined.

Distribution

The Company Secretary is responsible to ensure that all new directors, officers and employees sign a written acknowledgment that they have read and understood this policy upon its implementation, during initial induction for new personnel and following any material change to this Trading Policy.

This Trading Policy will be available from the Company Secretary or on the Company's website at: www.lcg.properties

Annual Policy Review

This Trading Policy will be reviewed annually and otherwise as required by the Managing Director.