

ASX ANNOUNCEMENT

28 September 2012

Announcement No. 25/12
The Manager
Corporate Announcement Office
Australian Stock Exchange

Notice of Company AGM and Trust Meeting

As advised on 17 September 2012, ALE Property Group, which is comprised of Australian Leisure and Entertainment Property Management Limited (the "Company") and Australian Leisure and Entertainment Property Trust (the "Trust"), will hold its Annual General Meeting ("AGM") of the shareholders of the Company and meeting of unitholders of the Trust at:

- 10.00 am Sydney Time (Registration will commence 9.45 am)
- Tuesday, 30 October 2012
- Sofitel Sydney Wentworth
Boardroom, Ground Floor
61-101 Phillip Street, Sydney, NSW.

The following documents are today being mailed to stapled securityholders:

- Chairman's letter to stapled securityholders;
- Notice of meetings; and
- Proxy form.

A copy of each of the above documents is attached in accordance with Listing Rule 15.7.

- Ends -

Contact:

Brendan Howell
Company Secretary
ALE Property Group

Tel: 02 8231 8588

Website: www.alegroup.com.au



ALE PROPERTY GROUP

Australian Leisure and Entertainment Property Management Limited
ABN 45 105 275 278
Australian Leisure and Entertainment Property Trust
ARSN 106 063 049

1- 000001 000 LEP
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



CHAIRMAN'S LETTER

28 September 2012

Dear Stapled Securityholder,

The ALE Property Group comprises Australian Leisure and Entertainment Property Management Limited (the "**Company**") and the Australian Leisure and Entertainment Property Trust (the "**Trust**") and their controlled entities. Each stapled security in ALE Property Group comprises of one share in the Company and one unit in the Trust ("**Stapled Security**").

Enclosed with this letter is a notice of the Annual General Meeting of the shareholders of the Company and a meeting of the unitholders of the Trust ("**Notice**"). The meetings will be held concurrently at the Sofitel Sydney Wentworth Hotel, Boardroom, Ground Floor, 61-101 Phillip Street Sydney on **Tuesday, 30 October 2012 at 10.00 am Australian Eastern Daylight Time ("AEDT")**.

You may vote by attending the meetings in person or by proxy or a body corporate can appoint a corporate representative.

To vote in person, attend the meetings on 30 October 2012 at the Sofitel Sydney Wentworth Hotel. The meetings will commence at 10.00 am. Registration will commence at 9.45 am. If you are able to attend, please bring this letter with you to facilitate registration. We ask that if you plan to attend the meeting you arrive at least 10 minutes prior to the time designated for the meeting so that we may check your holding of Stapled Securities against our register and note your attendance.

Corporate Stapled Securityholders will be required to produce, prior to admission to the meeting, the appropriate "Certificate of Appointment of Corporate Representative" to evidence the appointment of the corporate representative. A form of the certificate may be obtained from ALE Property Group's Registry, Computershare.

To vote by proxy, please complete and sign the Proxy Form enclosed with the Notice as soon as possible and either:

- return the proxy form by post in the reply paid envelope; or
- send the proxy form by facsimile to Computershare Investor Services Pty Limited on facsimile number +61 3 9473 2555,

so that it is received not later than 10.00 am (AEDT) on Sunday, 28 October 2012.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

I sincerely hope that you will be able to join us at the meeting and take advantage of the opportunity to meet and speak with the Directors.

Yours sincerely

Peter Warne
CHAIRMAN
Australian Leisure and Entertainment Property Management Limited



ALE PROPERTY GROUP

Australian Leisure and Entertainment Property Management Limited
ABN 45 105 275 278
Australian Leisure and Entertainment Property Trust
ARSN 106 063 049

Lodge your vote:



Online:

www.investorvote.com.au



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

For all enquiries call:

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

000001 000 LEP
MR SAM SAMPLE
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THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



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

For your vote to be effective it must be received by 10.00am (AEDT) Sunday 28 October 2012

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 mark more than one box on an item your vote will be invalid on that item. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. For further information, please refer overleaf and to the information on proxies in the voting entitlement section of the 2012 Notice of Annual General Meeting of shareholders and unitholders.

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 for Postal Forms

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 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.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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

IND

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 ALE Property Group 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 Annual General Meeting of Shareholders of Australian Leisure and Entertainment Property Management Limited (the "Company") in conjunction with a meeting of the unitholders of Australian Leisure and Entertainment Property Trust (the "Trust") will be held at the Sofitel Sydney Wentworth Hotel, Boardroom, Ground Floor, 61-101 Phillip Street Sydney at 10.00 am Australian Eastern Daylight Time ("AEDT") on Tuesday 30 October 2012, and at any adjournment of those meetings.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

Direction to Chairman for Remuneration Report: Where I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default) in relation to resolution 3 (Remuneration Report) but I/we have not marked any of the boxes opposite that resolution, I/we nevertheless hereby direct the Chairman of the meeting to vote in favour of resolution 3.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting to exercise my/our proxy in respect of resolution 3 even though the Chairman is, and the item is connected directly or indirectly with the remuneration of, a member of key management personnel.

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.

ORDINARY BUSINESS

		For	Against	Abstain
1	Re-election of Peter Warne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Helen Wright as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To adopt the Remuneration Report for the year ended 30 June 2012	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE NOTE: If you have appointed the Chairman of the meeting as your proxy (or the Chairman of the meeting becomes your proxy by default), you can direct the Chairman of the meeting to vote "For", "Against" or to "Abstain" from voting on resolution 3 by marking the appropriate box opposite resolution 3. However, note that if the Chairman of the meeting is your proxy and you do **not** mark any of the boxes opposite resolution 3, you are directing the Chairman to vote in favour of the resolution on that item.

4	Approval of short term incentive grant to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote all available 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 / /

LEP

1 3 4 1 3 9 A

Computershare +

NOTICE OF MEETINGS

Notice is given that the Annual General Meeting of shareholders of Australian Leisure and Entertainment Property Management Limited and a meeting of the unitholders of Australian Leisure and Entertainment Property Trust will be held concurrently at the Sofitel Sydney Wentworth Hotel, Boardroom, Ground Floor, 61-101 Phillip Street, Sydney at 10.00am Australian Eastern Daylight Time on Tuesday, 30 October 2012.

Australian Leisure and Entertainment Property Management Limited (ABN 45 105 275 278)
AND Australian Leisure and Entertainment Property Trust (ARSN 106 063 049)

Please note that the item of Ordinary Business and the Resolutions should be read in conjunction with the Explanatory Memorandum which follows.

Ordinary Business

Item 1

Receive 30 June 2012 financial reports

To receive and consider the financial reports of ALE Property Group and the reports of the Directors and Auditor for the year ended 30 June 2012.

The following resolutions are to be considered and, if thought fit, passed as ordinary resolutions of the Company:

Resolutions

Resolution 1

Re-election of Peter Warne as a Director

To re-elect a Director of the Company.

That Peter Warne, being a Director who retires in accordance with the ASX Listing Rules and Rule 44 of the Company's Constitution and, being eligible,

offers himself for re-election, is re-elected as a Director of the Company.

Resolution 2

Re-election of Helen Wright as a Director

To re-elect a Director of the Company.

That Helen Wright, being a Director who retires in accordance with the ASX Listing Rules and Rule 44 of the Company's Constitution and, being eligible, offers herself for re-election, is re-elected as a Director of the Company.

Resolution 3

Non-binding advisory vote on the Remuneration Report

That the Company adopt the Remuneration Report for the year ended 30 June 2012 as contained within the Directors' Report of the ALE Property Group Annual Financial Report 2012.

Note that the vote on this report is advisory only and does not bind the Directors of the Company. However, the Board will consider the outcome of the vote when reviewing the Company's remuneration policy.

Resolution 4

Approval of short term incentive grant to the Managing Director

That approval is given to grant rights to receive Stapled Securities to the Company's Managing Director, Mr Andrew Wilkinson, under the ALE Executive Stapled Security Scheme on the terms summarised in the Explanatory Memorandum.

Short Explanation: Under the ASX Listing Rules, any issue of Stapled Securities to a Director under the ESSS requires Stapled Securityholder approval. Please refer to the Explanatory Memorandum for details.

Voting Exclusions

Resolution 3

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 3 by or on behalf of:

- a member of its Key Management Personnel; or
- their Closely Related Parties.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 3 is connected with the remuneration of a member of the Company's Key Management Personnel.

Resolution 4

In accordance with the Listing Rules and the Corporations Act, the Company will disregard any votes cast on Resolution 4:

- in any capacity by the Executive Directors (being the only Directors entitled to participate in an employee incentive scheme) and any of their associates; and
- as a proxy by a member of the Key Management Personnel or their Closely Related Parties.

However, the Company need not disregard a vote if it is cast by:

- a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 4 is connected with the remuneration of a member of the Company's Key Management Personnel.

Voting entitlement

For the purposes of voting at the Annual General Meeting, persons holding Stapled Securities at 10.00am (AEST) on Sunday 28 October 2012 will be entitled to vote. This means that if you are not a Stapled Securityholder at that time you will not be entitled to vote.

Corporations

Corporate Stapled Securityholders will be required to produce, prior to admission to the meeting, the appropriate "Certificate of Appointment of Corporate Representative" to evidence the appointment of the corporate representative. A form of the certificate may be obtained from the Registry.

Proxies

A Stapled Securityholder who is entitled to attend and cast a vote at the meetings may appoint a person as the Stapled Securityholder's proxy to attend and vote for the Stapled Securityholder at the meetings. The proxy form enables Stapled Securityholders to vote For, Against, or Abstain from voting on, a resolution. Proxies need not be Stapled Securityholders.

Two or more proxies

If the Stapled Securityholder is entitled to cast two or more votes at the meetings, the Stapled Securityholder may appoint two proxies and may specify the proportion or number of votes each proxy may exercise.

Where two proxies are appointed a separate form should be used for each. Stapled Securityholders are requested to show on the form a specified

number or proportion of the Stapled Securityholder's voting rights which the proxy may exercise. To do this, insert the relevant number or proportion of Stapled Securities in respect of which the appointment is made. If the Stapled Securityholder does not specify the proportion of the Stapled Securityholder's voting rights each proxy is to represent, each proxy will be entitled to half of the Stapled Securityholder's votes.

Where two proxies are appointed, neither is entitled to vote on a show of hands in accordance with the Constitution.

Important information regarding Key Management Personnel voting

If you appoint a member of the Key Management Personnel of the Company or one of their Closely Related Parties as proxy, they will not be able to cast your votes on Resolutions 3 and 4 unless you direct them how to vote or the Chairman of the Meeting is your proxy.

If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as your proxy by default, and you do not mark a voting box for Resolutions 3 and 4, then by signing and returning the Proxy Form you will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant resolution even though the resolution is connected with the remuneration of the Key Management Personnel of the Company. The Chairman of the Meeting intends to vote all available proxies in favour of each resolution.

Direct proxy votes

If a person appointed as a proxy for a Securityholder who is entitled to vote chooses to vote, the proxy must vote as directed by the Securityholder. If a person appointed as a proxy (other than the Chairman) does not attend the meetings or does not vote on a resolution, and the directions on the Proxy Form require that person to vote, the votes not exercised by that person will be given to the Chairman to vote in accordance with the directions on the Proxy Form.

Undirected proxy votes

You are encouraged to consider how you wish to direct your proxy to vote. Other than Key Management Personnel or their Closely Related Parties voting as a proxy on Resolutions 3 and 4, if a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit. Should any resolution, other than those specified in this Notice of Meetings, be proposed at a meeting, a proxy may vote on that resolution as they think fit.

Timing

To be valid, the enclosed proxy form must be completed and signed and received not later than 10.00am (AEDT) on Sunday, 28 October 2012 either by:

- returning the proxy form by **post** in the reply paid envelope;
- **delivering** the proxy form in person to Computershare Investor Services Pty Limited, Level 2, 60 Carrington Street, Sydney NSW 2000; or
- sending the proxy form by **facsimile** to Computershare on facsimile number +61 3 9473 2555.

By order of the Board of Australian Leisure and Entertainment Property Management Limited in its own right and in its capacity as responsible entity of the Australian Leisure and Entertainment Property Trust.



Brendan Howell
Company Secretary

Date: 28 September 2012

Defined terms

In the above resolutions, this Notice and the Explanatory Memorandum:

AEDT means Australian Eastern Daylight Time.

ALE Property Group means the Company and the Trust (and where the context requires, the Company in its capacity as responsible entity of the Trust) and their controlled entities.

Amendment Act means the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* (Cth).

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited, or the market operated by it as the context requires.

ASX Listing Rules means the listing rules of ASX.

ASX Market Rules means the market rules of ASX.

Board means the Board of Directors.

Closely Related Party means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company

the member controls; or (f) a person prescribed by the regulations, as defined in the Amendment Act (see Important Information).

Company means Australian Leisure and Entertainment Property Management Limited (ABN 45 105 275 278).

Constitution means the constitution of the Company and/or the Trust as appropriate.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a Director of the Company.

ESSS means ALE Property Group Executive Stapled Security Scheme.

Explanatory Memorandum means the explanatory memorandum that accompanies this Notice of Meetings.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, as defined in the Amendment Act (see Important Information).

Notice of Meetings and Notice mean this notice of meetings and any notice of any adjournment of the meetings.

Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Responsible Entity means Australian Leisure and Entertainment Property Management Limited (ABN 45 105 275 278) in its capacity as responsible entity of the Trust.

Stapled Security means a share in the Company and a unit in the Trust.

Stapled Securityholder means a registered holder of Stapled Securities.

Subsidiary means ALE Finance Company Pty Limited (ACN 106 503 431).

Trust means Australian Leisure and Entertainment Property Trust (ARSN 106 063 049).

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and the Notice of Meetings are important documents. They should be read carefully. If you are not able to attend the Meetings, please complete the attached form of proxy and return it to Computershare by 10.00am (AEDT) on Sunday, 28 October 2012.

Item 1 — Receive 30 June 2012 Financial Reports

The financial reports of the ALE Property Group and the reports of the Directors and Auditor are set out in the Annual Report which was sent to Stapled Securityholders and posted onto the ALE Property Group's website (www.alegroup.com.au) prior to the meetings.

In accordance with section 250PA of the Corporations Act 2001, Stapled Securityholders entitled to cast their vote at the Annual General Meeting may submit written questions to the Auditor relevant to the content of the Auditor's report or the conduct of the audit or the financial report of ALE Property Group. A Stapled Securityholder wishing to submit a question to the Auditor should forward this to the Company Secretary at the following address by no later than 5.00pm (AEST) on Monday, 22 October 2012:

Address: ALE Property Group
Level 10, Norwich House, 6 O'Connell Street
Sydney NSW 2000
Facsimile: +61 2 8231 8500

A question list will be made available to Stapled Securityholders attending the meeting at or before the start of the meeting.

Resolution 1 — Re-election of Peter Warne as a Director of the Company

The ASX Listing Rules and Rules 30 and 44 of the Company's Constitution require that an election of Directors of the Company is required to be held each year, and that a Director may not hold office for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election. In accordance with this requirement, Peter Warne will resign as a Director of the Company and being eligible for re-election stands for re-election.

Peter was appointed Chairman and non-executive Director of the Company in September 2003.

Peter began his career with the NSW Government Actuary's Office and the NSW Superannuation Board before joining Bankers Trust Australia Limited ("BTAL") in 1981. Peter held senior positions in the Fixed Income Department, the Capital Markets Division and the Financial Markets Group of BTAL and acted as a consultant to assist with integration issues when the investment banking business of BTAL was acquired by Macquarie Bank Limited in 1999.

Peter is also a board member of three other listed entities being ASX Limited, Macquarie Group Limited and WHK Group Limited. He is on the board of NSW Treasury Corporation, Capital Markets Cooperative Research Centre Limited and Securities Industry Research Centre for Asia Pacific (SIRCA) and is a member of the Advisory Board for the Australian Office of Financial Management.

Peter graduated from Macquarie University with a Bachelor of Arts, majoring in Actuarial studies. He qualified as an associate of, and received a Certificate of Finance and Investment from, the Institute of Actuaries, London.

Peter is one of the original Directors of the Company and was extensively involved in the establishment and listing of the ALE Property Group.

Peter is also an independent member of ALE Property Group's Audit, Compliance and Risk Management Committee and Chairman of the Remuneration Committee and Nominations Committee.

Resolution 2 — Re-election of Helen Wright as a Director of the Company

The ASX Listing Rules and Rules 30 and 44 of the Company's Constitution require that an election of Directors of the Company is required to be held each year, and that a Director may not hold office

for a continuous period in excess of three years or past the third annual general meeting following the Director's appointment, whichever is the longer, without submitting for re-election. In accordance with this requirement, Helen Wright will resign as a Director of the Company and being eligible for re-election stands for re-election.

Helen was appointed as a non-executive Director of the Company in September 2003.

Helen Wright was a partner of Freehills, a leading Australian firm of lawyers, from 1986 to 2003. She practiced as a commercial lawyer specialising in real estate projects including development and financing and related taxation and stamp duties. Helen is the Chair of Screen NSW (formerly Film & Television Office), and is the Statutory and Other Offices Remuneration Tribunal and the Local Government Remuneration Tribunal for NSW. Prior appointments included the Boards of Sydney Harbour Foreshore Authority and subsidiaries, Australia Day Council of NSW, Darling Harbour Authority, UNSW Press Limited and MLC Homepack Limited.

Helen has a Bachelor of Laws from University of NSW, and in 1994 completed the Advanced Management Program at Harvard Graduate School of Business.

Helen is one of the original Directors of the Company and was extensively involved in the establishment and listing of the ALE Property Group.

Helen is also the independent Chair of ALE Property Group's Audit, Compliance and Risk Management Committee and a member of the Remuneration Committee and Nominations Committee.

Resolution 3 — Non-binding advisory vote on the Remuneration Report

Stapled Securityholders will be given the opportunity to comment on and ask questions about the Remuneration Report which is included in the ALE Property Group Annual Financial Report 2012.

The Remuneration Report discusses the following:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Services agreements; and
- Equity based compensation.

The vote on this item is advisory only and will not bind the Directors of the Company. However, the Board will consider the outcome of the vote when reviewing the Company's remuneration policy.

Resolution 4 — Approval of short term incentive grant to the Managing Director

It is proposed that Mr Wilkinson, Managing Director of the Company, be awarded Stapled Securities under the ESSS. The Company is seeking the approval of the proposed grant pursuant to ASX Listing Rule 10.14, which requires the Company to obtain securityholder approval for the issue of new securities to a Director under an employee incentive scheme. Accordingly, approval is sought for the grant of 43,136 rights to Stapled Securities to Mr Wilkinson which forms part of his short term incentive (STI) entitlement for the 2012 financial year (ESSS Rights).

Under his employment contract, Mr Wilkinson is entitled to a standard STI opportunity equivalent to 50% of his base salary. Mr Wilkinson's STI is based on assessment by the Board of Mr Wilkinson's performance as measured against a set of predetermined key performance indicators (KPIs). The KPIs have been determined by the Board and relate to the duties and responsibilities of Mr Wilkinson. Following the end of the financial year, performance against the KPIs is tested and the STI awarded to the extent that the KPIs are satisfied. Of the STI amount awarded:

- 50% is delivered in cash; and
- 50% is deferred into ESSS Rights for three years.

As the ESSS Rights form part of Mr Wilkinson's remuneration package, they will be granted at no cost to him. Further details of Mr Wilkinson's remuneration package are set out in the Remuneration Report contained in the Company's 30 June 2012 Annual Report.

The number of ESSS Rights to be granted to Mr Wilkinson is calculated by:

- dividing \$71,250 (50% of Mr Wilkinson's total STI award for the 2012 financial year) by the volume weighted average stapled security price for the five days following the announcement of the financial results for the 2012 Financial Year, being \$2.09; and
- adjusting the resulting figure for expected distributions between the grant date and delivery dates. The adjustment is based on the Board's forecast of ALE's expected average annual distribution yield over the three year vesting period. The yield is based on information made available to the Board by management.

If Stapled Securityholder approval is obtained, the ESSS Rights will be granted in November 2012 (following the approval) and, in any event, within 12 months of the approval being obtained. If the grant of ESSS Rights is not approved, the remuneration intended to be provided by way of ESSS Rights will instead be delivered in cash on

terms equivalent to those set out below. The grant of ESSS Rights is subject to the rules of the ESSS. The ESSS Rights will vest at the end of a three year vesting period commencing effective from August 2012 (i.e. around August 2015, following the release of the ALE Property Group annual results for the year ending 30 June 2015), subject to the forfeiture and clawback conditions outlined below.

Clawback

At the end of the vesting period, the vesting of the ESSS Rights remains subject to the following clawback tests. ESSS Rights will be forfeited in whole or in part at the discretion of the Remuneration Committee if before the end of the vesting period:

- the Remuneration Committee becomes aware of any executive performance matter which, had it been aware of the matter at the time of the original award, would have in their reasonable opinion resulted in a lower original award. These executive performance matters are restricted to those that had a materially adverse financial impact on ALE Property Group; or
- Mr Wilkinson engages in any conduct or commits any act which, in the Remuneration Committee's reasonable opinion, adversely affects the ALE Property Group including, and without limitation, any act which:
 - results in the ALE Property Group having to make any material financial restatements; or
 - causes the ALE Property Group to incur a material financial loss.

Cessation of Employment

If Mr Wilkinson ceases to be an employee of the Group within six months of the grant of ESSS Rights, the ESSS Rights will lapse, subject to the Board's discretion to accelerate vesting of the ESSS Rights in the event of Mr Wilkinson becoming incapacitated due to health, permanent disability or death.

If Mr Wilkinson ceases to be an employee of the Group before his ESSS Rights vest because his employment is terminated for cause, all ESSS Rights held by him will lapse.

If Mr Wilkinson ceases to be an employee of the Group before his ESSS Rights vest due to termination without cause, he (or his estate) will continue to hold his ESSS Rights and they will vest in the usual course subject to the ESSS Rules.

Where Mr Wilkinson resigns, the Board retains a discretion to lapse any of his ESSS Rights. If the Board does not exercise this discretion, the ESSS Rights will remain on foot and vest in the usual course subject to the ESSS Rules.

Other Board discretions

The Board may determine that all or a proportion of the ESSS Rights "early-vest" in exceptional

circumstances which include, but are not limited to:

- taxation consequences that could cause or which have caused financial hardship for Mr Wilkinson;
- Mr Wilkinson becoming incapacitated due to his health, permanent disability or death; and
- any other disadvantage that, in the opinion of the Board, could result or has resulted in financial hardship or an unintended outcome for Mr Wilkinson or his family.

Other information required by the Listing Rules

Mr Wilkinson is the only Director of the Company entitled to participate in the ESSS.

There is no loan scheme in relation to the ESSS.

No securities have as yet been received by Mr Wilkinson under the ESSS. Further details regarding the rights previously awarded to Mr Wilkinson are provided in the Remuneration Report.

Recommendations of the Board in respect of putting the Resolutions

Specifically, and pursuant to the Corporations Act, Directors have approved the proposal to put the resolutions set out in the Notice of Meetings to Stapled Securityholders and the provisions of this Explanatory Memorandum.

Corporate directory

Registered Office

Level 10, Norwich House
6 O'Connell Street, Sydney NSW 2000
Tel: (02) 8231 8588

Company Secretary

Mr Brendan Howell
Level 10, Norwich House
6 O'Connell Street, Sydney NSW 2000
Tel: (02) 8231 8588

Auditor

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Custodian

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The Trust Company Limited
Level 15, 20 Bond Street, Sydney NSW 2000

Trustee

(of ALE Direct Property Trust)
The Trust Company (Australia) Limited
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Registry

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