

ASX ANNOUNCEMENT

3 October 2014

**Announcement No. 36/14
The Manager
Corporate Announcement Office
Australian Securities Exchange**

Notice of Company AGM and Trust Meeting

As advised on 23 September 2014, 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)
- Thursday, 6 November 2014
- Sofitel Sydney Wentworth
Hobart Room, 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



CHAIRMAN'S LETTER

3 October 2014

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, Hobart Room, Ground Floor, 61-101 Phillip Street Sydney on **Thursday, 6 November 2014 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 6 November 2014 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 Tuesday, 4 November 2014.

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

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

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) Tuesday, 4 November 2014

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 or abstain as they choose (to the extent permitted by law). 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 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 help tab, "Printable 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** ➔



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.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of ALE Property Group to be held at the Sofitel Sydney Wentworth Hotel, Hobart Room, Ground Floor, 61-101 Phillip Street, Sydney on Thursday, 6 November 2014 at 10.00am Australian Eastern Daylight Time ("AEDT") and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Items 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 4, 5 and 6 by marking the appropriate box in step 2 below.

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
1	Election of Pippa Downes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Election of Paul Say as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Helen Wright as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Non-binding advisory vote on the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Approval of Executive Incentive Scheme grant of rights to the Managing Director - Company and Trust	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Non-Executive Directors' Remuneration	<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. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

/ /

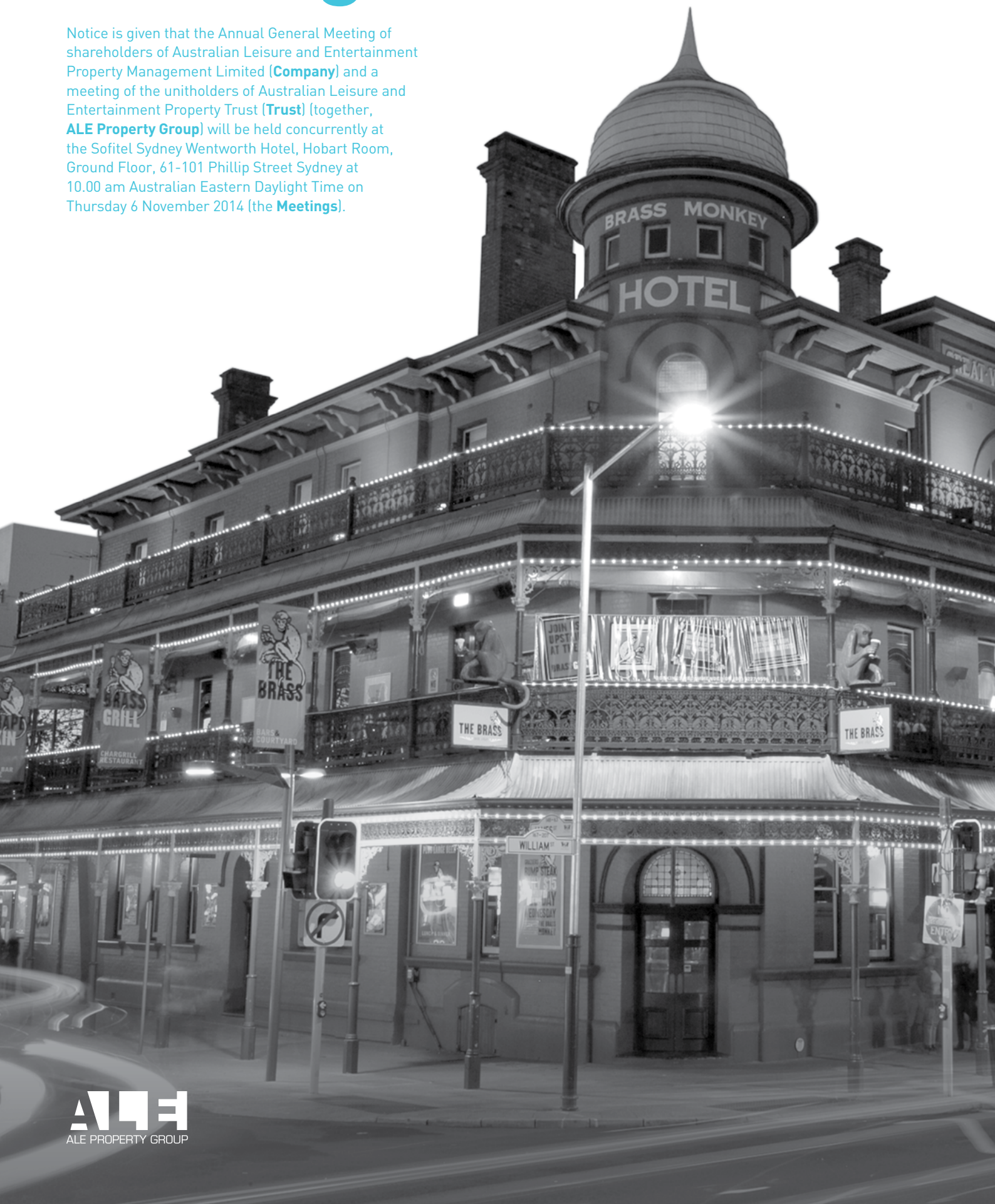
Notice of Meetings

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

AND

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

Notice is given that the Annual General Meeting of shareholders of Australian Leisure and Entertainment Property Management Limited (**Company**) and a meeting of the unitholders of Australian Leisure and Entertainment Property Trust (**Trust**) (together, **ALE Property Group**) will be held concurrently at the Sofitel Sydney Wentworth Hotel, Hobart Room, Ground Floor, 61-101 Phillip Street Sydney at 10.00 am Australian Eastern Daylight Time on Thursday 6 November 2014 (the **Meetings**).



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 2014 financial reports – Company and Trust

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 2014.

The following resolutions are to be considered and, if thought fit, passed as ordinary resolutions of the Company (and in the case of resolution 5, of the Trust as well):

RESOLUTIONS

Resolution 1

Election of Pippa Downes as a Director

That Pippa Downes, being a Director who was appointed by the Board since the last AGM, retires in accordance with the ASX Listing Rules and Rule 43(b) of the Company's Constitution and, being eligible, offers herself for election, is elected as a Director of the Company.

The election of Ms Downes is unanimously (with Ms Downes abstaining) recommended by the Board.

Resolution 2

Election of Paul Say as a Director

That Paul Say, being a Director who was appointed by the Board since the last AGM, retires in accordance with the ASX Listing Rules and Rule 43(b) of the Company's Constitution and, being eligible, offers himself for election, is elected as a Director of the Company.

The election of Mr Say is unanimously recommended (with Mr Say abstaining) by the Board.

Resolution 3

Re-election of Helen Wright as a Director

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

The election of Ms Wright is unanimously recommended (with Ms Wright abstaining) by the Board.

Resolution 4

Non-binding advisory vote on the Remuneration Report

That the Company adopt the Remuneration Report for the year ended 30 June 2014 as contained within the Directors' Report of the ALE Property Group Annual Financial Report 2014 on pages 9 to 16.

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

Note: A voting exclusion statement applies to this resolution (see below for details).

The Directors unanimously recommend that securityholders vote in favour of this resolution.

Resolution 5

Approval of Executive Incentive Scheme grant of rights to the Managing Director – Company and Trust

That approval is given to grant rights to receive 63,732 Stapled Securities to the Managing Director, Mr Andrew Wilkinson, under the ALE Executive Stapled Security Scheme on the terms summarised in the Explanatory Memorandum.

Note: A voting exclusion statement applies to this resolution (see below for details).

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

The Directors, other than Mr Wilkinson, unanimously recommend that securityholders vote in favour of this resolution.

Resolution 6

Non-Executive Directors' Remuneration

That in accordance with ASX Listing Rule 10.17 and for the purposes of Rule 45(b) of the Company's Constitution, effective from the financial year ended 30 June 2015 onwards, the maximum amount that may be paid in aggregate in any one year by the Company to Non-Executive Directors, as remuneration for services, including as a member of the Company's committees, be increased by \$150,000 to \$650,000.

Note: A voting exclusion statement applies to this resolution (see below for details).

VOTING EXCLUSIONS

Resolution 4

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

- by or on behalf of a member of its Key Management Personnel named in the Remuneration Report or their Closely Related Parties (regardless of the capacity in which the vote is cast); or
- as proxy by a member of the Key Management Personnel on the date of the Annual General Meeting or their Closely Related Parties.

However, the Company will not disregard a vote if it is cast 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 Meetings pursuant to an express authorisation in the proxy form to exercise the proxy even though resolution 4 is connected with the remuneration of a member of the Company's Key Management Personnel.

Resolution 5

In accordance with the ASX Listing Rules and the Corporations Act, any vote cast on Resolution 5 will be disregarded:

- by the Company and Trust, if cast by or on behalf of the Managing Director (being the only Director entitled to participate in the Executive Incentive Scheme) and any of his associates; and
- by the Company, if cast as a proxy by a member of the Key Management Personnel on the date of the Annual General Meeting or their Closely Related Parties.

However, a vote will not be disregarded if it is cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the Chairman of the Meetings pursuant to an express authorisation in the proxy form to exercise the proxy even though resolution 5 is connected with the remuneration of a member of the Company's Key Management Personnel.

Resolution 6

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast on resolution 6:

- by on behalf of a Director of the Company or their associate (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who is a member of the Key Management Personnel at the date of the AGM or their Closely Related Parties.

However, a vote need not be disregarded if it is cast by a person as proxy for a person who is entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meetings pursuant to an express authorisation in the proxy form to exercise the proxy even though resolution 6 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 7.00pm (AEDT) on Tuesday 4 November 2014 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 Meetings, 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 AND CHAIRMAN 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 4, 5 and 6, unless you direct them how to vote or the Chairman of the Meetings is your proxy (or becomes your proxy by default).

If you appoint the Chairman of the Meetings as your proxy or the Chairman of the Meetings is appointed as your proxy by default, and you do not mark a voting box for resolutions 4, 5 or 6, then by signing and returning the proxy form you will be expressly authorising the Chairman of the Meetings 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 Meetings intends to vote all available proxies in favour of each resolution.

DIRECTED PROXY VOTES

You can direct a proxy how to vote on each resolution by following the instructions on the proxy form. If a person appointed as a proxy for a Stapled Securityholder who is entitled to vote chooses to vote, the proxy must vote as directed by the Stapled 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. Subject to any applicable voting restrictions, if a proxy is not directed how to vote on a resolution, 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 the Meetings, a proxy may vote on that resolution as they think fit (subject to any applicable voting restrictions).

TIMING

To be valid, the enclosed proxy form must be completed and signed and received not later than **10.00 am (AEDT) on Tuesday, 4 November 2014** 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 4, 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: 27 September 2014

DEFINED TERMS

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

AEDT means Australian Eastern Daylight Time.

ALE Property Group or **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.

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 from time to time.

Closely Related Party of a member of the Key Management Personnel of the Company 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 Corporations Act.

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.

EIS mean the ALE Property Group Executive Incentive Scheme.

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 Corporations Act.

Notice of Meetings and **Notices** 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 a Stapled Security.

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 proxy form and return it to Computershare by 10.00 am (AEDT) on Tuesday, 4 November 2014.

ITEM 1 – RECEIVE 30 JUNE 2014 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 Corporation 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 of the financial report of ALE Property Group. A Stapled Securityholder wishing to submit a question to the Auditor should forward it to the Company Secretary at the following address by no later than 5.00pm (AEST) on Thursday, 30 October 2014:

Address:

ALE Property Group
Level 10, Norwich House
6 O'Connell Street
Sydney, NSW, 2000

Facsimile: +61 2 8231 8500

If applicable, a question list will be made available to Stapled Securityholders attending the Meetings.

RESOLUTION 1 – ELECTION OF PIPPA DOWNES AS A DIRECTOR OF THE COMPANY

The ASX Listing Rules and Rule 43(b) of the Company's Constitution require that any Director appointed since the previous annual general meeting must submit themselves for election. In accordance with this requirement, Pippa Downes will resign as a Director of the Company and being eligible for election, stands for election.

Pippa was appointed as a Non-Executive Director of the Company on 26 November 2013.

Ms Downes is a director of the ASX Group clearing and settlement facility licensees and their intermediate holding companies. She is also a director of the Pinnacle Foundation. Ms Downes was a Managing Director and Equity Partner of Goldman Sachs in Australia until October 2011, working in the Proprietary Investment division. Ms Downes has had a successful international banking and finance career spanning over 19 years where she has led the local derivative and trading arms of several of the world's leading Investment Banks. She has extensive experience in capital markets, derivatives and asset management.

Prior to joining Goldman Sachs in 2004, Ms Downes was a director and the Head of Equity Derivatives Trading at Deutsche Bank in Sydney. When Morgan Stanley was starting its equity franchise in Australia in 1998 she was hired as the Head of the Equity Derivative and Proprietary Trading business based in Hong Kong and Australia. Ms Downes started her career working for Swiss Bank O'Connor on the Floor of the Pacific Coast Stock Exchange in San Francisco, followed by the Philadelphia Stock Exchange before returning to work in Sydney as a director for UBS.

Pippa graduated from the University of California at Berkeley with a Bachelor of Science in Business Administration majoring in Finance and Accounting. Pippa also completed a Masters of Applied Finance from Macquarie University in 1998.

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

RESOLUTION 2 – ELECTION OF PAUL SAY AS A DIRECTOR OF THE COMPANY

The ASX Listing Rules and Rule 43(b) of the Company's Constitution require that any Director appointed since the previous annual general meeting must submit themselves for election. In accordance with this requirement, Paul Say will resign as a Director of the Company and being eligible for election, stands for election.

Paul was appointed as a Non-Executive Director of the Company on 24 September 2014.

Mr Say is the Principal of Stratum Property. Paul has over 30 years' experience in commercial and residential asset management, development, and real estate broking with major multinational institutions. Mr Say was Chief Investment Officer at Dexus Property Group from 2007 to 2012. Prior to that he was with Lend Lease Corporation for 11 years in various positions culminating with being the Head of Corporate Finance.

Paul has a Graduate Diploma in Finance and Investment and a Graduate Diploma in Financial Planning. He is a Fellow of the Royal Institute of Chartered Surveyors, Fellow of the Australian Property Institute and a Licensed Real Estate Agent (NSW, Vic, QLD).

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

RESOLUTION 3 – RE-ELECTION OF HELEN WIGHT 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 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 the Advisory Committee of Screen NSW (formerly Film & Television Office), and is the Statutory and Other Offices Remuneration Tribunal and until very recently was the Local Government Remuneration Tribunal for NSW. Prior appointments include the Boards of several State, university, commercial and charitable entities.

Helen has a Bachelor of Laws from the University of NSW, and in 1994 completed the Advanced Management Program at the 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 in 2003.

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 the Nominations Committee.

RESOLUTION 4 – 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 2014.

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 or the Company. However, the Board will consider the outcome of the vote when reviewing the Company's remuneration policy.

Stapled Securityholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

RESOLUTION 5 – APPROVAL OF EXECUTIVE INCENTIVE SCHEME GRANT OF RIGHTS TO THE MANAGING DIRECTOR

It is proposed that Mr Wilkinson, Managing Director of the Company, be awarded Stapled Securities under the ESSS. The Group is seeking the approval of the proposed grant pursuant to ASX Listing Rule 10.14, which requires an entity 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 63,732 rights to Stapled Securities (**ESSS Rights**) to Mr Wilkinson, which forms part of his Executive Incentive Scheme (**EIS**) entitlement for the 2014 financial year.

Under his employment contract, Mr Wilkinson is entitled to a target EIS opportunity equivalent to 60% of his base salary. Mr Wilkinson's award under the EIS 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 to the extent that the KPIs are satisfied, the incentive under the EIS is awarded. Of the EIS 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 2014 Annual Financial Report.

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

- dividing \$162,500 (50% of Mr Wilkinson's total EIS award for the 2014 financial year) by the volume weighted average Stapled Security price for the five days trading following the announcement of the financial results for the 2014 Financial Year, being \$3.011; and
- adjusting the resulting figure for expected distributions between the grant date and delivery dates. Any adjustment will be based on the Board's forecast of ALE's expected average annual distribution yield over the three year vesting period (which will be reasonably based on the information made available to it by management).

If Stapled Securityholder approval is obtained, the ESSS Rights will be granted in November 2014 and, in any event, within 12 months of Stapled Securityholder 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 effective from August 2014 (ie the vesting period will end around August 2017, following the release of the ALE Property Group results for the year ending 30 June 2017), subject to the forfeiture and clawback provisions 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 ASX 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.

Securityholder approval was obtained for Mr Wilkinson's FY2013 grant of ESSS Rights at the 2013 Annual General Meeting. In accordance with that approval, Mr Wilkinson was granted 34,878 ESSS Rights (at no cost to him). Further details regarding Mr Wilkinson's remuneration are provided in the Remuneration Report. No other directors received securities under the ESSS.

RESOLUTION 6 – APPROVAL FOR INCREASING THE NON-EXECUTIVE DIRECTORS' REMUNERATION

In accordance with Listing Rule 10.17 and the Constitution of the Company, members are being asked to approve an increase in the maximum aggregate sum which may be paid as fees to Directors and Committee Members by \$150,000 to \$650,000 per annum.

The purpose of increasing the aggregate amount for which Non-Executive Directors may be remunerated is as follows:

- To enable the Board to appoint additional Directors in advance of the retirement of other Directors over time and to allow for the expansion and development of the Board. During the current year Ms Pippa Downes and Mr Paul Say were appointed to the Board. Mr John Henderson, who was elected a Director in 2003 will retire in accordance with ASX Listing Rules and the Rules of the Constitution and will not be seeking re-election.

In June 2010 the Company formed a Nominations Committee to assist the Board in addressing recent amendments to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, including developing policies around Board Renewal, the Appointment of Directors and diversity at the Board and management levels.

The Board recognises that it is important that it undergoes a regular process of renewal via changes in membership, and has been in the process of searching for additional Non-Executive Directors over the past 12 month period. It is expected that new appointments will be made over the coming year. Any new Director appointed will be subject to election at the AGM following their appointment.

- To allow for increases in Non-Executive Director remuneration over time to independently assessed market competitive levels and to reflect changes in responsibilities.

In recent years there have been increasing demands on directors of listed companies under the Corporations Act, by regulators and to comply with best practice corporate governance. The Board considers it essential that it has the resources available to attract and retain the highest quality candidates for Board positions.

During 2014 the Company sort the advice of an external remuneration consultant to review the current remuneration being paid to directors and their various roles on the Board and Committees.

The Board's policy is to remunerate Non-Executive Directors at market rates for comparable companies taking into account the time, commitment and the nature and complexity of the responsibilities involved. The review by the external consultant recommended no changes to existing individual Director's remuneration for the financial year ahead.

In the interests of the continuing disclosure of Group remuneration, it should be noted that in addition to the amount paid to Non-Executive Directors as remuneration, the Group paid additional amounts to James McNally, the Company's executive Director, Graeme MacLaren, an external non-executive director of the Group's Subsidiary and David Lawler, an external consultant who is a committee member. These amounts totalled \$166,000 for the year ending 30 June 2014.



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