

ASX ANNOUNCEMENT

25 September 2015

**Announcement No. 13/15
The Manager
Corporate Announcement Office
Australian Securities Exchange**

Notice of Company AGM and Trust Meeting

As advised on 25 August 2015, 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, 27 October 2015
- 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



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



CHAIRMAN'S LETTER

25 September 2015

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 **Tuesday, 27 October 2015 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 27 October 2015 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, 25 October 2015.

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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SAMPLEVILLE VIC 3030



Proxy Form

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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: 999999

SRN/HIN: I9999999999 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, 25 October 2015

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** →

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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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 Tuesday, 27 October 2015 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 3 and 4 (except where I/we have indicated a different voting intention below) even though Items 3 and 4 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 3 and 4 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 Nancy Milne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Peter Warne as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Non-binding advisory vote on the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Executive Incentive Scheme grant of rights to the Managing Director - Company and Trust	<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
(ASRN 106 063 049)

Growing Value

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 10.00am Australian Eastern Daylight Time on Tuesday 27 October 2015 (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 2015 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 2015.

The following Resolutions are to be considered and, if thought fit, passed as ordinary Resolutions of the Company (and in the case of resolution 4, of the Trust as well):

Resolutions

Resolution 1 **Election of Nancy Milne as a Director**

That Nancy Milne, 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 Milne is unanimously (with Ms Milne abstaining) recommended by the Board.

Resolution 2 **Re-election of Peter Warne as a Director**

That Peter Warne, 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 himself for re-election, is re-elected as a Director of the Company.

The re-election of Mr Warne is unanimously recommended (with Mr Warne abstaining) by the Board.

Resolution 3 Non-binding advisory vote on the Remuneration Report

That the Company adopt the Remuneration Report for the year ended 30 June 2015 as contained within the Directors' Report of the ALE Property Group Annual Financial Report 2015 on pages 10 to 17.

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

That approval is given to grant rights to receive 33,365 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.

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 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 3 is connected with the remuneration of a member of the Company's Key Management Personnel.

Resolution 4

In accordance with the ASX Listing Rules and the Corporations Act, any vote cast on Resolution 4 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 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 (AEDT) on Sunday 25 October 2015 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 3 and 4, 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 3 and 4, 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 **10.00am (AEDT) on Sunday, 25 October 2015** 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
25th September 2015

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).

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 10.00am (AEDT) on Sunday, 25 October 2015.

Item 1 – Receive 30 June 2015 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 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 Tuesday, 20 October 2015:

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 Nancy Milne 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, Nancy Milne will resign as a Director of the Company and being eligible for election, stands for election.

Nancy was appointed as a Non-Executive Director of the Company on 6 February 2015.

Nancy is a former lawyer with over 30 years' experience with primary areas of legal expertise in insurance and reinsurance, risk management, corporate governance and professional negligence. She was a partner with Clayton Utz until 2003 and a consultant until 2012. She is currently Chairman of the Securities Exchange Guarantee Corporation. She was previously a director of Australand Property Group, Crowe Horwarth Australasia, Greenstone Limited and Novion Property Group.

Nancy has a Bachelor of Laws from the University of Sydney. She is a member of the NSW Council of the Australian Institute of Company Directors and the Institute's Law Committee.

Nancy 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 – 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 Chairman of OzForex Group Limited and a board member of ASX Limited and Macquarie Group Limited. He is also on the board of NSW Treasury Corporation 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 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 2015.

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 4 – 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 33,365 rights to Stapled Securities (**ESSS Rights**) to Mr Wilkinson, which forms part of his Executive Incentive Scheme (**EIS**) entitlement for the 2015 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 2015 Annual Financial Report.

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

- dividing \$105,000 (50% of Mr Wilkinson's total EIS award for the 2015 financial year) by the volume weighted average Stapled Security price for the five days trading following the announcement of the financial results for the 2015 Financial Year, being \$3.694; 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 October 2015 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 2015 (ie the vesting period will end around August 2018, following the release of the ALE Property Group results for the year ending 30 June 2018), 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 FY2014 grant of ESSS Rights at the 2014 Annual General Meeting. In accordance with that approval, Mr Wilkinson was granted 63,732 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.

If approval is obtained for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

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

KPMG,
10 Shelley Street,
Sydney NSW 2000

Custodian

(of Australian Leisure and
Entertainment Property Trust)
The Trust Company Limited,
Level 13, 123 Pitt Street,
Sydney NSW 2000

Trustee

(of ALE Direct Property Trust)
The Trust Company (Australia) Limited,
Level 13, 123 Pitt Street,
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Registry

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