

ASX ANNOUNCEMENT

30 July 2014

**Announcement No. 25/14
The Manager
Australian Securities Exchange**

Managing Director's Employment Contract

ALE Property Group (ASX Code LEP) is pleased to announce that it has agreed the terms of a new employment contract with its Managing Director, Mr Andrew Wilkinson.

The following sets out the key terms of the contract in accordance with Listing Rule 3.16.4.

Summary of Key Terms of Employment Contract

Andrew Wilkinson's employment contract has been established by taking into account the ASX Corporate Governance Principles and Recommendations as well as industry practice.

1. Duration of Contract

The contract continues subject to termination on the basis outlined in item 3 below.

2. Remuneration

(a) Salary Package

An annual salary (including superannuation contributions) of \$425,000 per annum. The annual salary will be reviewed by the Board in December of each year during the term of the contract with the next review occurring in December 2014.

(b) Standard Incentive Award (STI)

Each year, Mr Wilkinson is entitled to receive an STI of up to 60% of his annual salary package, which, in general, will be payable 50% as cash and 50% as deferred equity (under the ALE Executive Stapled Security Scheme ("ESSS")). Currently, the deferral period under the ESSS is three years. The actual STI will be based on assessment by the Board of Mr Wilkinson's performance as measured against a set of predetermined key performance indicators (KPIs).

The KPIs will be determined by the Board and relate to the duties and responsibilities of Mr Wilkinson. The STI will be determined annually at the end of the financial year and the cash portion will be paid following the release of the annual financial results for ALE.

(c) Stretch Incentive Award

An additional "stretch" STI may be paid, at the discretion of the Board, where in the Board's opinion Mr Wilkinson has performed at a level that significantly exceeds his KPIs and has added significant and unexpected value to the Group beyond meeting his KPIs. Any additional stretch STI will, in general, be delivered in the same way as the standard STI – i.e. 50% as cash and 50% as deferred equity under the ESSS.

3. Termination of Employment

The employment may be terminated by ALE:

- (a) without cause or in the event of redundancy by giving Mr Wilkinson written notice of six months;
- (b) for poor performance or misconduct (other than serious misconduct) by giving Mr Wilkinson two months' written notice; or
- (c) immediately for serious misconduct.

Mr Wilkinson may terminate the contract by giving six months' notice to ALE.

On termination, any accrued remuneration and statutory leave entitlements are payable, together with reimbursement of properly incurred work related expenses. ALE may elect to make a payment in lieu of the notice periods above. Statutory redundancy payments will also be made where the termination is due to redundancy.

If Mr Wilkinson's employment is terminated for serious misconduct no other payments apply.

If Mr Wilkinson's employment is terminated by the Company in circumstances of redundancy or without cause Mr Wilkinson will continue to be eligible to receive a Standard Incentive Award and may receive a Stretch Incentive Award for the financial year in which the termination occurs with any such award to be determined and awarded at the normal time of determination for the awards save that there will be no deferred component of either and they will be delivered solely as a cash payment. The amount of any Standard Incentive Award or Stretch Incentive Award will be reduced pro-rata to reflect the period of Mr Wilkinson's employment during the financial year. The Awards will be subject to the Board's assessment of Mr Wilkinson's performance against the KPIs as at the termination date.

If Mr Wilkinson resigns, he will be entitled to receive any Standard STI Award due to him in respect of a completed financial year. In this case, there will be no deferred component of the Standard STI Award and it will be delivered solely as a cash payment.

- Ends -

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