

**ASX ANNOUNCEMENT**

**1 October 2020**

**Announcement No. 20/20  
The Manager  
Corporate Announcement Office  
Australian Securities Exchange**

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**CEO Transition**

The board of ALE Property Group (ASX:LEP) ("ALE") today announced that Mr Andrew Wilkinson will, as previously foreshadowed, stepped down as ALE CEO and Managing Director with effect from 30 September 2020. Mr Guy Farrands, who was previously announced as CEO elect on 14 May this year will become the CEO and Managing Director of ALE with effect from 1 October 2020.

Today's announcement is consistent with the announcement on 7 August 2019 wherein Andrew indicated his intention to step down as CEO after some 16 years in the role and the appointment of Guy Farrands as CEO elect as announced on 14 May 2020.

The transition period from August 2019 through to today's announcement has enabled a smooth hand over from Andrew to Guy and an efficient transfer of corporate history during the rent determination process.

Andrew's six month notice period will conclude on 31 March 2021.

We wish Andrew well in his next endeavours and again thank him for his very diligent, dedicated and successful contribution to ALE during his now 17 years of service dating back to his appointment as the inaugural CEO of ALE in 2003.

Guy Farrands's employment contract has been established by taking into account the ASX Corporate Governance Principles and Recommendations as well as industry practice. The key terms of the contract, in accordance with Listing Rule 3.16.4, are set out in the attachment to this announcement.

*This ASX release was approved and authorised for release by Robert Mactier, Chairman.*

- Ends -

Contact:  
**Robert Mactier**  
**Chairman**

**ALE Property Group**  
Tel: 02 8231 8588  
Website: [www.alegroup.com.au](http://www.alegroup.com.au)

## Summary of Key Terms of Guy Farrands Employment Contract

### 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 \$485,000 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 2020.

#### (b) Standard Incentive Award (STI)

Each year, Mr Farrands 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 Farrands'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 Farrands. 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 Farrands 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 Farrands written notice of six months;
- (b) for poor performance or misconduct (other than serious misconduct) by giving Mr Farrands two months' written notice; or
- (c) immediately for serious misconduct.

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

If Mr Farrands's employment is terminated by the Company in circumstances of redundancy or without cause Mr Farrands 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 Farrands's employment during the financial year. The Awards will be subject to the Board's assessment of Mr Farrands's performance against the KPIs as at the termination date.

If Mr Farrands 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.