

## Appendix 4G

### Key to Disclosures

#### Corporate Governance Council Principles and Recommendations

Name of entity

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

As above
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Financial year ended:

30 June 2021
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Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website:
- [https://www.alegroup.com.au/FormBuilder/\\_Resource/\\_module/6kvwwm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf](https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvwwm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf)

The Corporate Governance Statement is accurate and up to date as at 4<sup>th</sup> August 2021 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 24 August 2021

Name of authorised officer authorising lodgement:

Michael Clarke

Company Secretary

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://www.alegroup.com.au/FormBuilder/Resource/module/6kvwwm9E3kmfq9p0HJyIFQ/file/governance/Board_Charter.pdf">https://www.alegroup.com.au/FormBuilder/Resource/module/6kvwwm9E3kmfq9p0HJyIFQ/file/governance/Board_Charter.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period:               <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either:                   <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at:  <a href="https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Diversity_Policy.pdf">https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Diversity_Policy.pdf</a></p> <p>and we have disclosed the information referred to in paragraph (c) at:            .....  <i>[insert location]</i></p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></li> <li><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</li> </ul>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

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1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p><a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p><a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p><a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p><a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Remuneration%20and%20Nominations%20Committee%20Charter.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Remuneration and Nominations Committee Charter.pdf</a></p> <p>and the information referred to in paragraphs (4) and (5) at: Page 5 of the 2021 Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

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2.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors;</li> <li>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	<input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at: Pages 2-4 of the FY21 Annual Report and, where applicable, the information referred to in paragraph (b) at: ..... <i>[insert location]</i> and the length of service of each director at: <a href="https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

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<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Code_of_Conduct.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Code_of_Conduct.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Code_of_Conduct.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Code_of_Conduct.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Whistleblower_Policy.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Whistleblower_Policy.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Anti-Bribery-and-Corruption-Policy.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/Anti-Bribery-and-Corruption-Policy.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

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<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/ACRMC-Charter.pdf">https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfq9p0HJyIFQ/file/governance/ACRMC-Charter.pdf</a> and the information referred to in paragraphs (4) and (5) at: Pages 2-4 of the FY21 Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

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<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Continuous-Disclosure-Policy.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Continuous-Disclosure-Policy.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Communications_Policy.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Communications_Policy.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at:  <a href="https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ACRMC-Charter.pdf">https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ACRMC-Charter.pdf</a>  and the information referred to in paragraphs (4) and (5) at:  Page 5 of the FY21 Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework at:  .....  <i>[insert location]</i></p>	<input type="checkbox"/> set out in our Corporate Governance Statement
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at:  <a href="https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.alegroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p>	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed how our internal audit function is structured and what role it performs at:</p> <p><a href="https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvw wm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvw wm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at:</p> <p><a href="https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvw wm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvw wm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether we have any material exposure to environmental and social risks at:</p> <p><a href="https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvw wm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf">https://www.alegroup.com.au/FormBuilder/_Resource/_module/6kvw wm9E3kmfq9p0HJyIFQ/file/governance/ALE-Corporate-Governance-Statement-2021.pdf</a></p> <p>and, if we do, how we manage or intend to manage those risks at:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Remuneration%20and%20Nominations%20Committee%20Charter.pdf">https://www.aigroup.com.au/FormBuilder/Resource/module/6kvw/wm9E3kmfg9p0HJyIFQ/file/governance/Remuneration and Nominations Committee Charter.pdf</a></p> <p>and the information referred to in paragraphs (4) and (5) at: Page 5 of the FY21 Annual Report</p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>.....</p> <p><i>[insert location]</i></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at:</p> <p>Remuneration Report contained in the FY21 Annual Reports at Pages 13-19</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: Remuneration Report contained in the FY21 Annual Reports at Pages 13-19</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; and (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	<input type="checkbox"/> and we have disclosed the information referred to in paragraphs (a) and (b) at: ..... [insert location]	<input type="checkbox"/> set out in our Corporate Governance Statement

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p><input type="checkbox"/></p> <p>and we have disclosed the terms governing our remuneration as manager of the entity at:</p> <p>.....</p> <p>[insert location]</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

**The Board of Directors of Australian Leisure and Entertainment Property Management Limited is accountable to stapled securityholders for the performance of ALE**

ALE remains committed to maintaining high standards of corporate governance. The Board considers that ALE's corporate governance framework and practices continue to substantially comply with the requirements of the ASX Corporate Governance Council's (ASXCGC) Principles of Good Corporate Governance Principles and Recommendations, 4th Edition (Principles and Recommendations) and meet the interests of all stakeholders. A range of policies have been developed and implemented in this regard and may be viewed on our website ([www.alegroup.com.au](http://www.alegroup.com.au)). This Corporate Governance Statement is effective as at 4 August 2021 and has been approved by the Board.

## **Principle 1 – Lay solid foundations for management and oversight**

### **Roles of the Board and Management**

The Board Charter sets out the principles for the operation of the Board. The Board's responsibilities encompass the following:

- 1 establishing the purpose and strategic direction of the ALE Property Group;
- 2 approving the statement of values and code of conduct to underpin the desired culture;
- 3 overseeing of the ALE Property Group, including its controls and accountability systems;
- 4 appointing and (if deemed necessary) removing the Managing Director and Company Secretary;
- 5 ratifying the appointment and, where appropriate, the removal of the senior executives.
- 6 contributing to and finally approving management's development of corporate strategy and performance objectives;
- 7 reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;

**CORPORATE GOVERNANCE**

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- 8 overseeing and monitoring senior management's performance, implementation of strategy and instilling values and desired culture and ensuring appropriate resources are available;
- 9 approving and monitoring the progress of operating budgets, major capital expenditure, capital management, acquisitions and divestitures;
- 10 Overseeing the integrity of the accounting and corporate reporting systems including monitoring financial, risk and non-financial risk and other reporting;
- 11 Overseeing the process for making timely and balanced disclosure of all material information concerning the ALE Property Group that a reasonable person would expect to have a material effect on the price or value of the Staple Securities;
- 12 Satisfying itself that an appropriate framework existing for relevant information to be reported by management to the Board;
- 13 Whenever required, challenging management and holding it to account;
- 14 Satisfying itself that the remuneration policies are aligned with the purpose, values, strategic objectives and risk appetite;
- 15 Monitoring the effectiveness of the governance practices; and
- 16 Establishing and maintaining leadership of the ALE Property Group and upholding ethical standards.

**Delegation and Role of Management**

The Board delegates to the Managing Director and senior management team responsibility for implementing the strategic direction, and for managing the day-to-day operations, instilling and reinforcing the values, of the ALE Property Group while operating within the values, code of conduct, budget and risk appetite set by the Board. The Managing Director consults with the Chairman, in the first place, on matters, which are sensitive, significant, and extraordinary, or of a strategic nature.

The senior management team is responsible for providing the Board with accurate, timely and clear information on the ALE Property Group operations to enable the Board to perform its responsibilities.



## Principle 2: Structure the Board to add value

### Board composition

The full Board determines the Board's size and composition, subject to limits imposed by the Company's Constitution, the Board Charter and the Corporations Act.

The Board has determined that it is currently appropriate to have a minimum of six directors, the majority of whom (four), including the Chairman, are independent non-executive directors.

The four non-executive directors, Robert Mactier, Pippa Downes, Paul Say and Nancy Milne, are independent directors as defined under section 601JA of the Corporations Act, and satisfy the principles of independence as outlined in the Principles and Recommendations. Michael Triguboff and Bernard Stanton are not considered Independent Directors as they are Nominees of Caledonia (Private) Investment Pty Limited, our largest securityholder. A review of each director's independence is undertaken by tabling any changes in director interests at every Company Board meeting and more formal assessments of independence are undertaken from time to time. Details of the members of the Board, their experience, expertise, qualifications, terms of office, relationships affecting their independence and their independent status are set out in the Directors' Report under the heading "Information on Directors".

The Chairman is selected by the full Board annually at the first meeting following the annual general meeting (AGM), and is to be an independent director in accordance with the Board Charter and ASX Corporate Governance guidelines.

The Company Secretary reports directly to the Board.

New directors are provided with an induction process to enable them to actively participate in Board decision making as soon as possible. The process ensures that the new directors fully understand ALE's financial position, strategies, operations and risk management policies and explains the respective rights, duties, responsibilities and roles of the Board and senior executives.

All new directors have appropriate checks done prior to appointment.

The Company has a written agreement with each director setting out the terms of their appointment.

The Board has implemented an annual performance evaluation process for management, directors, the Board and its committees. Part of this process is to also ensure that the Board and its committees maintain an appropriate balance of skills, experience and expertise.

Details of the performance evaluation process for management are set out in the Directors' Report in the Annual Report.

The Board appoints a specialist governance adviser therefrom time to time to review the performance of the Board and that of directors. During the current year an internal review of the Board was performed.

Under the Company's Constitution and the ASX Listing Rules, 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.

If no director would otherwise be required to submit for re-election, but the ASX Listing Rules require that an election of directors be held, the director to retire at the AGM is the director who has been longest in office since their last election.

### **Independence and materiality thresholds**

The Board considers that a director is independent if the director is a non executive director and:

1. is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the board;
2. receives performance-based remuneration (including options or performance rights) from, or participates in an employee incentives scheme of the entity;
3. is, or has been within the last three years, in a material business relationship (eg as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
4. is, represents, or is or has been within the last three years an officer or employee of, or professional adviser to, a substantial security;
5. has close personal ties with any person who falls within any of the categories described above; or
6. has been a director of the entity for such a period that his or her independence from management and substantial holders may have been compromised.

Robert Mactier is a consultant to UBS AG. UBS AG has provided debt lead management services to ALE in the past and may continue to do so in the future. Mr Mactier does not take part in any decisions to appoint UBS AG in relation to debt lead management services provided by UBS AG to ALE.

**CORPORATE GOVERNANCE**

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The following table details the length of service of each director as at the date of this report:

Name	Appointed	Length of service (Years)
R W Mactier (Chairman)	28 November 2016	4.7
N Milne	5 February 2015	6.5
P G Say	24 September 2014	6.9
P J Downes	26 November 2013	7.7
B D Stanton	13 September 2019	1.7
G Farrands (Managing Director)	1 October 2021	0.7
M P Triguboff	16 February 2018	3.5

### **Independent professional advice**

After prior approval of the Chairman, directors may obtain independent professional advice at the expense of ALE on matters arising in the course of their Board duties.

### **Board committees**

The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Currently the Board has two standing committees; these are the Remuneration and Nominations Committee, and the Audit, Compliance and Risk Management Committee.

The committees operate principally in a review or advisory capacity. Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis. All matters determined by committees are submitted to the full Board as recommendations for Board decisions.

All Directors are entitled to attend meetings of the standing committees. Minutes of committee meetings are tabled at the subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

### **Audit, Compliance and Risk Management Committee (ACRMC)**

The ACRMC is a standing committee that is currently composed of five members, being four non-executive independent directors and one non-executive director. Membership of the committee is based on directors' qualifications, skills and experience.

**CORPORATE GOVERNANCE**

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Pippa Downes, an Independent director, is Chair of the Committee. The other members of the Committee are Robert Mactier, Paul Say and Nancy Milne, all Independent directors. Bernard Stanton is also a member but is not considered an Independent Director.

The ACRMC meets at least four times a year.

As the Board comprises 50% or more Independent directors, an Independent compliance committee has not been appointed. The Board has, however, determined that the ACRMC fulfil this role.

Details of the members of the ACRMC and their attendance at meetings are set out in the Directors' Report in the Annual Report.

Given the small number of staff within the Company, the Company does not have an internal audit function. To ensure appropriate levels of internal control, ALE commissions an annual controls review. Following the completion of the annual review the appointed auditor reports to the Board. Due to the COVID-19 restrictions in NSW since 26 June 2021 the annual review for the 2020-21 year has been deferred.

### **Remuneration and Nominations Committee**

The Remuneration and Nominations Committee is currently composed of four non-executive independent directors. Paul Say is the Chairman of the committee. The other members of the committee are Robert Mactier, Pippa Downes and Nancy Milne.

The Remuneration and Nominations Committee is responsible for evaluating the performance of the Company's key management personnel. Each six months the Remuneration and Nominations Committee meets to formally review the performance of each senior executive against predetermined criteria of goals and objectives. One of the committee's responsibilities is to monitor ALE's policies in respect of Board renewal, appointment of directors and diversity for the ALE Property Group.

We confirm that such reviews were undertaken for the year ending 30 June 2021 and the results of those reviews are outlined within the Remuneration Report which forms part of the Directors' Report in the Annual Report.

Details of committee members and their attendance at meetings held are set out in the Directors' Report in the Annual Report.

### Board and executive remuneration

Details of Board and executive remuneration are set out in the Directors' Report in the Annual Report.

### Director skills and experience

The skills, experience and expertise of each Director are described on pages 2 to 4 in the Directors' Report of the 2021 Annual Report.

The Directors possess a range of skills which, as a group, enable the Board to discharge its obligations effectively.

The Board regularly reviews its composition and succession plans. In doing so it uses the skills matrix set out below to guide its assessment of the skills and experience of current directors and to identify any gaps in the collective skills of the Board. The Board currently comprises seven directors – six non-executive directors, and one executive director.

Given the nature and extent of the skills required and having regard to the complexity of the business it has been determined the key skills necessary for the Board are described in the table below.

The following table summarises the key skills of the directors as a group:

Skills and Experience
<b>Financial acumen</b> – senior experience in finance, including financial accounting and reporting to assist the Board in understanding of financial reporting requirements and best practice
<b>Real Estate</b> - experience in real estate management, property development and property valuations to assist the Board in reviewing property related matters
<b>Capital and Funds Management</b> – senior experience in capital management strategies, corporate finance and capital markets to assist the Board in reviewing debt and equity strategies and related transactions
<b>Human Resources</b> – people management and human resources experience to assist the Board in management of executive development, remuneration and succession planning
<b>Governance and Risk Management</b> – experience with governance within a listed environment to assist the Board in developing a rigorous governance environment and risk management framework
<b>Strategy</b> – experience in developing and directing strategy and implementing strategic business plans to assist the Board in reviewing strategy related matters

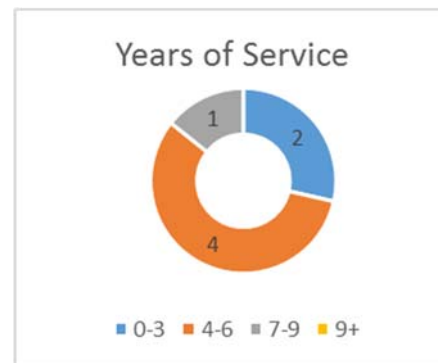
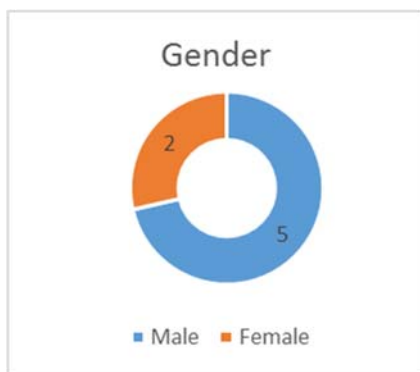
CORPORATE GOVERNANCE

Skills and Experience

**Compliance and Regulatory** – experience over a number of years in undertaking compliance activities and investigations; and an understanding of regulatory requirements and how they apply.

**Law** – legal qualifications or experience to provide assistance to the Board in meeting its legal and compliance obligations and consideration of a range of legal risks

Diversity of Directors



### Principle 3: Promote ethical and responsible decision making Code of Conduct

In accordance with ALE's Code of Conduct, all directors and employees are expected to perform their duties professionally and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of ALE.

#### Trading in securities

ALE has a Trading Policy with which all directors and employees must comply. Directors, employees and their associates may not utilise information obtained by their position for personal gain or for gain of another person. Each director and employee must ensure that any information in their possession that is not publicly available and which may have a material effect on the price or value of ALE's stapled securities or any derivatives based on these (ALE Securities) is not provided to anyone who may be influenced to subscribe for, buy or sell ALE Securities.

Directors, employees and their associates may buy or sell ALE Securities, with the approval of the Chairman or his delegate, only during the four week periods commencing the day after:

- the release of the half-year results;
- the release of the full year results; and
- the AGM.

Outside these four week periods are closed periods for trading in ALE Securities, unless exceptional circumstances apply.

All directors and employees are precluded from buying or selling ALE Securities at any time if they are aware of price sensitive information that has not been made public, or at any time while ALE is undertaking a general issue or buyback of that particular type of ALE Security.

All directors or employees are entitled to participate in the Distribution Reinvestment Plan on the same terms as other securityholders, except where the Distribution Reinvestment Plan is partly or wholly satisfied by an on-market buyback of ALE Securities, in which case directors and employees are precluded from participating.

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All Directors, officers and employees are prohibited from using his or her holding in any of their ALE Securities as collateral for any margin lending, excluding margin lending that was in existence prior to 8 August 2018.

In accordance with provisions of the Corporations Act 2001 and the Listing rules of the ASX, ALE advises the ASX of any transaction conducted by directors in ALE Securities.

All directors, officers and employees must disclose their financing arrangements relating to their ALE Securities to the Chairman and must advise if the following circumstances apply:

- the director, officer or employee holds ALE Securities that have been lent, mortgaged or charged to a financier;
- circumstances have arisen in which the financier is entitled or is likely to become entitled to exercise a right under the finance arrangement to demand payment; and
- the director, officer or employee expects that the demand will not be able to be satisfied without the disposal of securities representing 2.5% or more of the total number of issued stapled securities in ALE.

Directors, officers and employees who enter into margin loans or other financing arrangements over ALE Securities are directed to ensure that they have sufficient available cash or other acceptable collateral to meet margin calls, including during a period of extreme sudden market downturn. Directors, officers or employees may not be provided with a clearance by the Company to dispose of ALE Securities that are subject to a margin call.

Details of directors, key management personnel and their associate's holdings in ALE Securities are set out in the Directors' Report in the Annual report.

### **Diversity**

The Board has adopted a Diversity Policy for the ALE Property Group, which includes details on how the Board and Remuneration and Nominations Committee take into account the diversity criteria when identifying and assessing potential Director Candidates and members of the senior management team.

To the best of its abilities and recognising that the Company has a small team of directors and employees, ALE has attempted to introduce diversity standards to ensure the workplace is fair and flexible, promotes personal and professional growth and enables employees to enhance their contributions to the Company by drawing from their different backgrounds, beliefs and experiences. The Company notes the Principles



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and Recommendations, however, because the Company comprises a small team of directors and employees, the Board has determined that it will not be setting benchmarks for achieving a certain level of gender diversity, and will not be reporting against its progress to achieve any measurable objective. Nonetheless, the Company is committed to ensuring that the best candidates both at a Board and employee level are appointed as opportunities arise regardless of gender, marital or family status, sexual orientation, gender identity, intersex status, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience. The Company believes that while this is departure from the Principles and Recommendations, it does not diminish the Group's commitment in principle and fact to ensuring diversity.

As at 30 June 2021, the Company's gender diversity may best be summarised as follows:

Name	Women in role	Total Positions	Percentage
Independent Board positions	2	4	50%
All Board positions	2	7	29%
ACRMC positions	2	5	40%
Other committee positions	2	4	50%
Senior management positions	-	2	-
Total number of women employed in whole organisation	5	13	38%

## Principle 4: Safeguarding integrity in financial reporting

As mentioned above, the Audit, Compliance and Risk Management Committees consist of four independent non-executive Directors and one non-executive Director.

Members of the Audit, Risk and Compliance Committee are financially literate and have an appropriate understanding of the industries in which the Company operates.

The Audit, Compliance and Risk Management Committee operates in accordance with a charter. The role of the Committee is to assist the Board in:

- Reviewing ALE's financial statements and financial information including review the appropriateness of the accounting judgements or choices exercised by management in preparing the financial statement, to be distributed externally;
- Monitoring the internal control framework, procedures that are designed to ensure compliance with statutory responsibilities and other external reporting requirements, and the adequacy of ALE's risk management framework;
- Liaising with the external auditor and review any proposal from the auditor to provide non-audit services and whether it might compromise their independence; and
- Liaising with the internal auditor.

In fulfilling its responsibilities, the Committee:

- Receives regular reports from management and the external auditors;
- Regularly meets with the external auditor;
- Reviews the processes the Managing Director and Company Secretary and Chief Financial Officer have in place to support their certifications to the Board;
- Reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved;
- Meets separately with the external auditors at least once a year without the presence of management; and
- Provides the external auditors with a clear line of direct communication at any time to either the Chair of the Audit, Compliance and Risk Management Committee or the Chair of the Board.

The Board receives a declaration from the CEO and Company Secretary and Chief Financial Officer prior to its approval of the ALE Property Group's half yearly and annual financial statements that confirms that in their opinion, the financial records of the ALE Property Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of

the financial position and performance of the ALE Property Group, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. This is also a requirement under the Corporations Act.

### **External Auditors**

ALE's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the Directors' Report and in note 4.4 to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Board and the Audit, Compliance and Risk Management Committee.

A representative of the external auditor attends the Annual General Meeting and is available to answer securityholder questions about the conduct of the auditor and the preparation and content of the audit report.

## Principle 5 and 6: Make timely and balanced disclosures and respect the rights of securityholders.

ALE has a Continuous Disclosure Policy which is consistent with the continuous disclosure obligations under the Corporations Act and ASX Listing Rules. The Policy focuses on continuous disclosure of any information concerning ALE that a reasonable person would expect to have a material effect on the price of ALE securities.

### Investor relations

ALE is committed to the provision of timely, full and accurate disclosure of material information concerning ALE.

ALE has a Communications Policy that ensures securityholders have equal access to ALE's information and has procedures to ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Listing Rules of the ASX.

The Board encourages full participation of securityholders at the Annual General Meeting (AGM) and provides adequate notice and a suitable venue in Sydney for those Securityholders wishing to attend the AGM or any other securityholder meeting.

The rights of ALE's securityholders are set out in the constitution, legal and regulatory requirements. ALE's Communication Policy allows securityholders to effectively exercise these rights through the provision of high quality, relevant and useful information in a timely manner. In this regard securityholders are informed about strategic objectives and major developments through:

- ASX announcements;
- ALE publications including the Annual Review and Annual Report;
- Annual General Meeting;
- ALE Website; and
- The website of ALE's security register, Computershare Investor Services Pty Limited, including a facility for securityholders to amend their particulars.

### ALE website

All information provided to the ASX is also posted on the ALE website, [www.alegroup.com.au](http://www.alegroup.com.au). ALE's website includes various corporate governance documents and policies, such as the Board's Charter, ALE's Code of Conduct and the Audit, Compliance and Risk Management Committee's Charter.

Securityholders are encouraged to make their views known to ALE and to directly raise matters of concern. Securityholders are encouraged to attend the AGM and use this opportunity to ask questions. The AGM remains the main opportunity for securityholders to comment and to question ALE's Board and management.

## Principle 7: Recognise and manage risks

### Recognise and manage risks

The Board, through the Audit, Compliance and Risk Management Committee, is responsible for ensuring there are adequate policies in relation to risk management compliance and internal control systems. In summary, ALE's policies are designed to ensure that strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of ALE's business objectives.

The Board and Audit, Compliance & Risk Management Committee reviews ALE's risk management framework on an annual basis to ensure that it continues to be sound.

On a quarterly basis the Audit Compliance & Risk Management Committee receives reports on risk management matters and monitor ALE's risk management framework.

An annual review of ALE Risk Management Framework is normally undertaken annually, with the last formal review completed in the June 2021 quarter.

As at the date of this statement, ALE is subject to the following identified risks:

Risk Type	Identified Risk
Economic	COVID-19 Property valuation Tenant and sector concentration Refinancing and interest rate Liquidity Regulatory Personnel
Environmental	Environmental (including climate risk)
Social	No significant risks

### COVID-19 Risk

Impact: Properties ALE own are operated as pubs and retail liquor outlets. As part of Government measures the operations are subject to various trading restrictions. In the event that the impacts of COVID-19 become material or more prolonged than anticipated, or if ALH does not continue to meet its rental obligations (being a key assumption underlying the property valuations), this may have an adverse impact to the fair value of ALE's property portfolio and ALE's operating results.

**Risk Management Mitigation:** The Directors will continue to monitor the business environment to determine if there are any material impacts on ALH's operations that may impact ALE.

### Tenant and sector concentration risk

**Impact:** All 82 of ALE's pub properties are leased to a single tenant, ALH which is owned by Endeavour Group Limited. Endeavour Group Limited listed on the ASX on 24 June 2021, following a demerger from Woolworths Limited and is a top 50 ASX listed company. In addition all properties are utilised as operating pubs and retail liquor outlets. In the event of a default in rental payments by the tenant, ALE may be unable to pay interest on borrowings and distributions to securityholders. If court decides that ALE's view of the proper interpretation of the leases is incorrect the prospects for ALE may change.

**Risk Management Mitigation:** ALE manages this risk by monitoring the operating performance of each of the hotels and ALH on a regular basis. ALE will continue to monitor developments concerning ALH closely as the credit profile of ALH may impact ALE's future ability to secure debt finance at competitive credit margins. ALE also has the option of selling properties and/or issuing equity to meet its debt obligations. ALE is has commenced proceedings in the Supreme Court of Victoria seeking declarations that the 19 Victorian Determinations are not binding on the parties. ALE expects that a decision of the court providing guidance in relation to the rent review provisions in the leases will be relevant to any rent determinations which are undertaken as at November 2028, when an uncapped and uncollared rent review is due for all properties where the tenant has exercised its option to renew the lease for a further ten years.

### Property Valuation Risk

**Impact:** Properties that ALE owns have values that are exposed to movements in the Australian commercial property markets, changes in rent and the general levels of long and short term interest rates.

**Risk Management Mitigation:** ALE is unable to control the market forces that impact ALE's property values however ALE monitors the property market to assess general trends in property values. ALE undertakes on-going condition and compliance audits of our properties and has independent valuers perform valuations on at least one third of the property portfolio on an annual basis. Declines in ALE's property values are recorded on the Statement of Comprehensive Income, any decreases in value will have a negative impact on the statutory net profit and net tangible assets per security and in turn the market price of the Group's securities may fall. Increases in gearing could also reduce headroom to debt covenants. At 30 June 2021 the closest debt covenant would be triggered by a decline of around 42% in property values and a resultant average capitalisation rate of 7.89%. By way of comparison it should be

noted that in the last 12 years the highest average capitalisation rate of ALE properties has been 6.60%. ALE considers it currently has sufficient headroom in its debt covenants.

### Refinancing and interest rate risk

Impact: ALE currently has outstanding gross borrowings of \$543 million, representing a covenant gearing level of 36.4%. ALE consequently faces refinancing risk as and when borrowings mature and require repayment. Failure, delays or increased credit margins in refinancing borrowings could subject ALE to a number of risks that could potentially impact future earnings. ALE faces the risk of reduced profitability and distributions should interest rates on borrowings increase materially.

Risk Management Mitigation: To mitigate this risk ALE uses fixed rate borrowings and hedges variable rate borrowings for the medium and long term. Existing arrangements effectively hedge ALE's forecasted net debt to November 2025 at weighted average base rates of between 3.48% and 3.53%. ALE proactively staggers debt maturities, continually monitors debt markets, actively seeks to maintain ALE's investment grade credit rating and maintains relationships with diverse funding markets to maximise the opportunity for multiple funding options.

### Liquidity risk

Impact: The risk that ALE may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous."

Risk Management Mitigation: ALE monitors its exposure to liquidity risk by ensuring that there is sufficient cash on hand as required or debt facility funding available to meet financial liabilities as they fall due. ALE has a long track record of consistently approaching debt markets for refinancing well in advance of the scheduled debt maturity dates.

### Regulatory Risk

Impact: Changes to liquor licence regulation or gaming licence regulation could significantly impact the trading performance of the operating businesses of ALH and therefore impact the EBITDAR of ALH. EBITDAR is a key determining factor for rent reviews and therefore could impact on ALE's long term profitability.

Risk Management Mitigation: ALE is unable to control regulatory changes that may impact on the gaming and liquor licences operating in our properties. It monitors the regulatory settings and public debate in each state to determine potential changes and their potential implications for ALE.



CORPORATE GOVERNANCE

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**Personnel risk**

Impact: ALE may be unable to recruit, retain and motivate key personnel.

Risk Management Mitigation: ALE has a small management team and employee base. Key person risk is therefore significant. To mitigate this risk ALE seeks to document all business and operating processes and ensure the management team have cross functional capabilities where possible. Where functions require specialised skills, external consultants can be engaged to cover functions if required.

**Environmental (including climate risk), social and economic risk**

Impact: The risk that our operating and investment activities, or those of our tenant, give rise to unintended environmental (including climate change), social (including problem gambling and alcohol) and economic consequences.

Risk Management Mitigation: ALE strives to minimise the impacts of its business and operating decisions on the environment, society and the economy. Outside the rights included in the leases and other agreements, ALE is unable to control the operations of ALH.

**Corporate Reporting**

With respect to the year ending 30 June 2021, the Board has received a declaration from the Managing Director and the Chief Financial Officer, that:

- The financial records for the financial period have been properly maintained in accordance with the Corporations Act;
- ALE's financial reports are complete and present a true and fair view of the financial condition and performance of the Group and are in accordance with relevant accounting standards; and
- The above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- That ALE's risk management and internal compliance and control is operating efficiently and effectively in all material respects in relation to financial reporting risks.

## Principle 8: Remunerate fairly and responsibly

Details of the Remuneration and Nomination Committee (Committee) are outlined in the 2021 Annual Report. The Committee operates in accordance with its charter and is responsible for developing and making recommendations to the Board on a remuneration framework for the Chairman, the Board Committees, non-executive Directors, ALE's remuneration and incentive policies and practices for the Managing Director, direct reports to the Managing Director and other senior executives.

Under ALE's Executive Stapled Security Scheme (ESSS), executives may be granted rights to a certain number of Stapled Securities as part of their remuneration package, which usually vest after a period of three years, subject to the forfeiture and clawback provisions described 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 Committee if before the end of the vesting period:

- the Nominations 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
- the executive engages in any conduct or commits any act which in the 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 the executive 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 the executive becoming incapacitated due to health, permanent disability or death.

If the executive 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 the executive 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 the executive 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 the executive;
- the executive becoming incapacitated due to his health, permanent disability or death;
- In the event of a change of control that may lead to the change in the composition of the Board where it is considered the change could be materially detrimental to value of unvested rights under the plan; and
- any other disadvantage that, in the opinion of the Board, could result or has resulted in financial hardship or an unintended outcome for the executive or his family.

In accordance with ALE's ESSS executives are not allowed to enter into derivatives or deal with any rights granted in any manner that would limit the economic risk of participating in the ESSS.

Once the rights have vested and the executive has been issued with Stapled Securities, the executive is required to also comply with ALE's Trading Policy.

Further information on Directors' and executives' remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading "Remuneration report". In accordance with ALE's Trading in Securities Policy, participants in equity based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements. Details of this policy can be found on ALE's website.