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ASX RELEASE

10 October 2018

ARDENT LEISURE GROUP ANNOUNCES COURT APPROVAL TO DESPATCH SECURITYHOLDER BOOKLET AND CONVENE SCHEME MEETINGS

Ardent Leisure Limited and Ardent Leisure Management Limited in its capacity as responsible entity of the Ardent Leisure Trust (together, **Ardent Leisure Group**) (ASX: AAD) are pleased to announce that the Supreme Court of New South Wales (**the Court**) has made orders approving the despatch of the securityholder booklet (**Securityholder Booklet**) in relation to the proposal for the corporatisation of the Ardent Leisure Group which will involve a new company called Ardent Leisure Group Limited (**NewCo**) becoming the single head entity of the Ardent Leisure Group in place of the current stapled structure (the **Proposal**).

The Court has also ordered that meetings of Ardent Leisure Group securityholders be convened to consider and vote on the Proposal (**Scheme Meetings**).

The implementation of the Proposal remains subject to the satisfaction or waiver (as applicable) of certain conditions precedent.

The Proposal requires the approval of Ardent Leisure Group Securityholders at Meetings to be held on:

Tuesday, 20 November 2018 from 10.45am (Sydney time) (or as soon thereafter as the AGM has concluded) at The Mint, 10 Macquarie Street, Sydney, NSW 2000

Information relating to the Proposal, including the Notice convening the Scheme Meetings and the Independent Expert's Report, is included in the attached Securityholder Booklet, which has been registered with the Australian Securities and Investments Commission today. The Securityholder Booklet will be sent to Ardent Leisure Group securityholders by 19 October 2018. Ardent Leisure Group securityholders who have elected to receive communications electronically will be sent the materials electronically and Ardent Leisure Group will send the materials to all other shareholders by post. The Securityholder Booklet sets out the information Ardent Leisure Group securityholders require to evaluate the Proposal as well as instructions on how to vote.

As previously advised to ASX, following implementation of the Proposal, the Ardent Leisure Group also intends to undertake a solvent restructure which will align the group's structure to its two business divisions, Australian Theme Parks and US Entertainment Centres (the **Restructure**).

Unanimous Board recommendation

For the reasons outlined in the Securityholder Booklet, the Ardent Leisure Group Directors believe that the Proposal is in the best interests of Ardent Leisure Group Securityholders and unanimously recommend that you vote in favour of the resolutions at the Scheme Meetings.

Independent Expert's recommendation

Deloitte Corporate Finance Pty Limited, the Independent Expert who has considered the Proposal and the Restructure, has concluded that the Proposal and the Restructure is in the best interests of Ardent Leisure Group Securityholders because the advantages of the Proposal outweigh the disadvantages. The full Independent Expert's Report, which sets out the reasons for this conclusion in more detail and which you are encouraged to read in full, is included at Annexure A to the Securityholder Booklet.

Key dates

Securityholder Booklet despatched to Ardent Leisure Group Securityholders	By 19 October 2018
Ardent Leisure Group AGM	10:00 am on Tuesday, 20 November 2018
Company Scheme Meeting	10:45 am (or as soon thereafter as AGM has been concluded or been adjourned) on Tuesday, 20 November 2018
Extraordinary General Meetings	11:00 am (or as soon thereafter as the Company Scheme Meeting has been concluded or been adjourned) on Tuesday, 20 November 2018
Second Court Hearing	Wednesday, 28 November 2018
Effective Date	Thursday, 29 November 2018
Record Date	Monday, 3 December 2018
Implementation Date	Monday, 24 December 2018

All details in the above timetable are indicative only and are subject to change. Any changes will be announced by the Ardent Leisure Group on the ASX.

For more information

If you have any questions in relation to the Proposal, the Meetings or the Securityholder Booklet, please call the ALG Securityholder Information Line on 1300 502 987 (toll free from within Australia) or +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday.

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ARDENT
LEISURE

**Ardent Leisure Group Securityholder Booklet
Corporatisation and Restructure Proposal
10 October 2018**

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Securityholder Booklet – Proposal for a restructure under which a new company called Ardent Leisure Group Limited will become the single head entity of Ardent Leisure Group

VOTE IN FAVOUR

Your Ardent Leisure Group Directors unanimously recommend that you vote in favour of the Proposal.

The Independent Expert has concluded that the Proposal and the Restructure is in the best interests of Ardent Leisure Group Securityholders.

Explanatory statement dated 10 October 2018

Ardent Leisure Limited (ACN 104 529 106)

Ardent Leisure Management Limited (ACN 079 630 676) in its capacity as responsible entity of the **Ardent Leisure Trust** (ARSN 093 193 438)

This is an important document and requires your immediate attention. You should read this Securityholder Booklet in full before deciding whether or not to vote in favour of the Resolutions to facilitate the Proposal and, if necessary, seek advice from your financial, accounting, legal, tax and/or other professional adviser(s).

You can call the ALG Securityholder Information Line on 1300 502 987 (toll free from within Australia) or on +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday if you have any questions.

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1 Important notices

This Securityholder Booklet is issued by Ardent Leisure Group which comprises Ardent Leisure Limited (ACN 104 529 106) and Ardent Leisure Management Limited (ACN 079 630 676) in its capacity as responsible entity of the Ardent Leisure Trust (ARSN 093 193 438).

This Securityholder Booklet contains details of a Proposal to restructure and simplify Ardent Leisure Group's existing corporate structure so that a new company called Ardent Leisure Group Limited (ACN 628 881 603) (referred to in this Securityholder Booklet as **NewCo**) will become the single head entity of Ardent Leisure Group, and describes the Securityholder approvals that are required to implement the Proposal.

It is important that you read the Securityholder Booklet before voting on the Resolutions to be considered at the Meetings, and if necessary, contact your financial, accounting, legal, tax and/or other professional adviser(s).

Status of this Securityholder Booklet

This Securityholder Booklet comprises an explanatory statement and notices of meetings for Ardent Leisure Group Securityholders in relation to the Resolutions required to implement the Proposal, including an explanatory statement required by section 412(1) of the Corporations Act in relation to the Company Scheme.

This Securityholder Booklet also contains NewCo's listing memorandum and all information required by the Listing Rules for that purpose.

Lodgement and listing

A copy of this Securityholder Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Company Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

NewCo will apply for admission to the official list of the ASX and quotation of NewCo Shares on the ASX by 10 October 2018, such applications being conditional on both the Company Scheme and the Trust Scheme becoming Effective.

The fact that the ASX may admit NewCo to the official list does not represent any statement regarding, and should not be taken in any way as an indication of, the merits of an investment in NewCo or of the Proposal. A copy of this Securityholder Booklet has been lodged with the ASX.

None of ASIC, the ASX, or their respective officers take any responsibility for the contents of this Securityholder Booklet.

Important notice associated with Court orders under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened does not mean that the Court:

- has formed any view as to the merits of the proposed Company Scheme or as to how members should vote (on this matter Securityholders must reach their own decision), or
- has prepared, or is responsible for the content of, this Securityholder Booklet.

The above important notice applies equally in relation to the giving of judicial advice by the Court in relation to the Trust Scheme.

Responsibility for information

Except for the Independent Limited Assurance Report, the Independent Expert's Report and the Australian Tax Letter, this Securityholder Booklet has been prepared by, and is the responsibility of, Ardent Leisure Limited (ACN 104 529 106) and Ardent Leisure Management Limited (ACN 079 630 676) in its capacity as responsible entity of the Ardent Leisure Trust. (ARSN 093 193 438).

Ernst & Young has prepared the Australian Tax Letter set out in section 9 and takes responsibility for that letter.

Deloitte Corporate Finance Pty Limited (ACN 008 833 127) (AFSL No. 241457) has prepared the Independent Expert's Report set out in Annexure A, and takes responsibility for that report.

Ernst & Young Transaction Advisory Services Limited (ACN 003 599 844), has prepared the Independent Limited Assurance Report set out in Annexure B and takes responsibility for that report.

Independent Limited Assurance Report on the Financial Information and financial services guide

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail investors with a financial services guide in relation to its independent review under the Corporations Act. The Independent Limited Assurance Report and accompanying financial services guide are provided in Annexure B.

Not investment advice

The information provided in this Securityholder Booklet is not financial product advice and is general information only and has been prepared without taking into account any Securityholder's individual investment objectives, financial circumstances or particular needs. Accordingly, nothing in this Securityholder Booklet should be construed as a recommendation or statement of opinion by Ardent Leisure Group or any other person concerning an investment in Ardent Leisure Group.

Not tax advice

The information provided in this Securityholder Booklet is not tax advice and is general information only and has been prepared without taking into account any Securityholder's individual taxation and factual circumstances. Accordingly, nothing in this Securityholder Booklet should be construed as a recommendation or statement of opinion by Ardent Leisure Group or any other person concerning the tax position or implications of the Proposal on any individual Securityholder. The general taxation implications of the Proposal for Securityholders are set in section 9. It is recommended each Securityholder seeks its own professional tax advice if the Proposal is implemented.

Privacy and personal information

Ardent Leisure Group and NewCo may collect personal information in the process of conducting the Meetings, implementing the Proposal and administering the securityholdings arising from the Proposal. The personal information may include the names, addresses, other contact details and details of the securityholdings of Ardent Leisure Group Securityholders, and the names of individuals appointed by Ardent Leisure Group Securityholders as proxies, corporate representatives or attorneys at the Meetings.

Ardent Leisure Group Securityholders who are individuals, and the other individuals in respect of whom personal information is collected as outlined above, have certain rights to access the personal information collected in relation to them. Such individuals should contact the Registry on 1300 554 474 (toll free from within Australia) or on +61 1300 554 474 (outside Australia) on Business Days from 9.00 am to

5.00 pm (Sydney time) in the first instance if they wish to request access to that personal information.

The personal information is collected for the primary purpose of implementing the Proposal and administering the Ardent Leisure Group securityholdings in connection with the Proposal. The personal information may be disclosed to the Registry, to securities brokers, to print and mail service providers and to any other service providers and advisers engaged by Ardent Leisure Group for this purpose.

The main consequence of not collecting the personal information outlined above would be that Ardent Leisure Group and NewCo may be hindered in, or prevented from, conducting the Meetings and implementing the Proposal. Ardent Leisure Group Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Meetings should inform such individual of the matters outlined above.

Foreign jurisdictions

This Securityholder Booklet does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Other than as set out in this Securityholder Booklet, no action has been taken to register the Ardent Leisure Group Stapled Securities or NewCo Shares or otherwise permit an offering of NewCo Shares in any jurisdiction outside of Australia. In particular, this Securityholder Booklet may not be distributed to any person, and the NewCo Shares may not be offered or sold, in any country outside Australia except to the extent provided in section 6.15.

The distribution of this Securityholder Booklet (electronically or otherwise) outside Australia may be restricted by law. If you come into possession of this Securityholder Booklet (electronically or otherwise), you should observe any such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws.

Hong Kong

WARNING - The contents of this Securityholder Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Proposal. If you are in any doubt about any of the contents of this Securityholder Booklet, you should obtain independent professional advice.

This Securityholder Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Securityholder Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Securityholder Booklet in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession

for the purposes of issue, this Securityholder Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Securityholder Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Securityholder Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Ardent Leisure Group Securityholders in connection with the Proposal, and no steps have been taken to register or seek authorisation for the issue of this Securityholder Booklet in Hong Kong.

This Securityholder Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Securityholder Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Securityholder Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Proposal by the person to whom this Securityholder Booklet is addressed.

United States

NewCo and Ardent Leisure Group intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by section 3(a)(10) thereof in connection with the consummation of the Proposal and the issuance of NewCo Shares. Approval of the Schemes by an Australian court will be relied upon by NewCo and Ardent Leisure Group for the purposes of qualifying for the section 3(a)(10) exemption.

United States holders of Ardent Leisure Group Stapled Securities should note that the Proposal is made in relation to the securities of an Australian company in accordance with the laws of Australia and the listing rules of the ASX. The Proposal is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under United States federal securities laws since NewCo is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue NewCo or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel NewCo and its affiliates to subject themselves to a US court's judgment.

You should be aware that NewCo may purchase securities otherwise than under the Proposal, such as in open market or privately negotiated purchases.

The Securityholder Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Proposal or the accuracy, adequacy or completeness of the Securityholder Booklet. Any representation to the contrary is a criminal offence.

The NewCo Shares to be issued pursuant to the Proposal have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Proposal is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

See section 6.15 for information about Foreign Securityholders' ability to Participate in the Proposal.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Proposal which is not contained in this Securityholder Booklet. Any information or representation not contained in this Securityholder Booklet may not be relied on as having been authorised by Ardent Leisure Group in connection with the Proposal.

Forward-looking statements

This Securityholder Booklet contains forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends", and other similar words that involve risks and uncertainties. These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. A non-exhaustive list of these risk factors is set out in sections 6.4 and 7.3 of this Securityholder Booklet. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statement contained in this Securityholder Booklet.

Past performance information

This Securityholder Booklet contains information relating to the past performance of Ardent Leisure Group. Past performance information may not be a reliable indicator of the performance of Ardent Leisure Group going forward.

Up-to-date information

Ardent Leisure Group will issue or procure the issue of a supplementary document to this Securityholder Booklet if Ardent Leisure Group becomes aware of any of the following between the date of this Securityholder Booklet and the Implementation Date:

- a material statement in this Securityholder Booklet is misleading or deceptive;
- a material omission from this Securityholder Booklet;
- there has been a significant change affecting a matter included in the Securityholder Booklet; or
- a significant new circumstance has arisen which would have been required to be included in this Securityholder Booklet if known at the date of this Securityholder Booklet.

However, if the change will not be materially adverse, a supplementary document may not be issued. Updated information that is not materially adverse may change from time to time and may be made available to you in various ways, including on Ardent Leisure Group's website at www.ardentleisure.com or on the ALG Securityholder Information Line 1300 502 987 (toll free from within Australia) or +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday. A paper copy of any updated information made available on the Ardent Leisure Group website will be available for free on request.

Estimates

Unless otherwise indicated, all references to estimates and derivations of the same in this Securityholder Booklet are references to estimates by Ardent Leisure Group. Management estimates are based on views at the date of this Securityholder Booklet and actual facts or outcomes may be different from those estimates.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Securityholder Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Securityholder Booklet.

Financial amounts and currency

Monetary amounts referred to in this Securityholder Booklet are in Australian dollars unless otherwise indicated.

Definitions and abbreviations

Defined terms and abbreviations used in this Securityholder Booklet are explained in the Glossary at the end of this Securityholder Booklet.

Date of this Securityholder Booklet

This Securityholder Booklet is dated 10 October 2018.

2 Key dates and Meetings details

2.1 Key Dates leading up to and including the Meetings

Event	Indicative Date (Sydney time)
Date of the First Court Hearing at which the Court ordered the convening of the Company Scheme Meeting	Tuesday, 9 October 2018
Latest time and date by which the white AGM proxy form must be received by the Registry	10.00 am on Sunday, 18 November 2018
Time and date for determining eligibility to vote at the AGM	10.00 am on Sunday, 18 November 2018
Latest time and date by which the blue Company Scheme Meeting Proxy Form must be received by the Registry	10.45 am on Sunday, 18 November 2018
Time and date for determining eligibility to vote at the Company Scheme Meeting	10.45 am on Sunday, 18 November 2018
Latest time and date by which the green General Meetings Proxy Form must be received by the Registry	11.00 am on Sunday, 18 November 2018
Time and date for determining eligibility to vote at the General Meetings	11.00 am on Sunday, 18 November 2018
AGM to be held at The Mint, 10 Macquarie Street, Sydney, NSW 2000	from 10.00 am on Tuesday, 20 November 2018
Company Scheme Meeting to be held at The Mint, 10 Macquarie Street, Sydney, NSW 2000	10.45 am (or as soon thereafter as AGM has been concluded or been adjourned) on Tuesday, 20 November 2018
General Meetings to be held at The Mint, 10 Macquarie Street, Sydney, NSW 2000	11.00 am (or as soon thereafter as the Company Scheme Meeting has been concluded or been adjourned) on Tuesday, 20 November 2018

2.2 Following the Meetings

Event	Indicative Date (Sydney time)
Date of the Second Court Hearing for approval of the Company Scheme and grant of judicial advice in respect of the Trust Scheme	Wednesday, 28 November 2018
Effective Date Last day of trading in Ardent Leisure Group Stapled Securities on the ASX	Thursday, 29 November 2018
Quotation Date NewCo Shares commence trading on a deferred settlement basis on the ASX and on a "when issued basis"	Friday, 30 November 2018

Event	Indicative Date (Sydney time)
Record Date All Ardent Leisure Group Securityholders on the Register at this time will be entitled to Participate in the Proposal unless they are Ineligible Foreign Securityholders	7.00 pm on Monday, 3 December 2018
Implementation Date Eligible Securityholders receive NewCo Shares	Monday, 24 December 2018
Despatch of holding statements for NewCo Shares to Ardent Leisure Group Securityholders NewCo Shares commence trading on a normal T+2 settlement basis on the ASX	Thursday, 27 December 2018
Settlement of on-market trades conducted on a deferred settlement basis on the ASX and first settlement of trades conducted on a normal T+2 settlement basis on the ASX	Monday, 31 December 2018
Removal of ALL and the Trust from the official list of the ASX	Monday, 31 December 2018

Other than the date of the First Court Hearing, all dates and times are indicative only. Ardent Leisure Group reserves the right to vary these dates and times in its absolute discretion. Unless otherwise specified, all dates and times in this Securityholder Booklet refer to the time in Sydney, Australia. Ardent Leisure Group will make an announcement to the ASX if any changes occur.

2.3 Location of Meetings

The details of the Company Scheme Meeting, the General Meetings and the AGM are as follows:

Date	Tuesday, 20 November 2018
Commencement of AGM	from 10.00 am (Sydney time)
Commencement of Company Scheme Meeting	10.45 am (Sydney time) (or as soon thereafter as the AGM has concluded or been adjourned)
Commencement of General Meetings	11.00 am (Sydney time) (or as soon thereafter as the Company Scheme Meeting has concluded or been adjourned)
Venue	The Mint, 10 Macquarie Street, Sydney, NSW 2000

3 What should you do next?

3.1 Step 1: Carefully read this Securityholder Booklet

You should read this Securityholder Booklet in full before making any decision on how to vote on the Resolutions required to implement the Proposal.

If you have any questions, you can call the ALG Securityholder Information Line on 1300 502 987 (toll free from within Australia) (within Australia) or on +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday. If necessary, you should seek your own independent advice on any aspect of the Proposal about which you are not certain.

3.2 Step 2: Vote at the Company Scheme Meeting and General Meetings

(a) Who is entitled to vote?

Ardent Leisure Group Securityholders who are registered on the Register at 10.45 am on Sunday, 18 November 2018 may vote at the Company Scheme Meeting.

Ardent Leisure Group Securityholders who are registered on the Register at 11.00 am on Sunday, 18 November 2018 may vote at the General Meetings.

(b) How to vote

Securityholders may vote at the Company Scheme Meeting and the General Meetings:

- **In person**, by attending the Meetings. If you wish to vote in person at the Meetings, please arrive at least 30 minutes prior to the time designated for the Meetings so that we may check the number of your Ardent Leisure Group Stapled Securities and note your attendance. The Company Scheme Meeting will be held on Tuesday, 20 November 2018 commencing from 10.45 am (Sydney time) (or as soon thereafter as the Annual General Meeting has ended or been adjourned), and the General Meetings will commence at 11.00 am (Sydney time) (or as soon thereafter as the Company Scheme Meeting has concluded or been adjourned).
- **By attorney or corporate representative**. You may appoint an attorney or, in the case of a company, a corporate representative, to vote on your behalf.

Those persons attending as an attorney must bring the original power of attorney unless Ardent Leisure Group has already noted it. The power of attorney must be returned in the same manner, and at the same time, as outlined for the Proxy Forms below.

Those persons attending as a corporate representative must bring evidence of their authority, such as a letter or certificate evidencing their appointment.

- **By proxy:**
 - by lodging a proxy online via www.linkmarketservices.com.au and following the instructions provided;
 - by mailing the enclosed blue Company Scheme Meeting Proxy Form and green General Meetings Proxy Form to Ardent Leisure Limited, c/o Link Market Services Locked Bag A14, Sydney South NSW 1235 using the reply paid envelope provided;
 - by faxing the enclosed blue Company Scheme Meeting Proxy Form and green General Meetings Proxy Form to +61 2 9287 0309; or

- For personal use only
- by hand delivering the enclosed blue Company Scheme Meeting Proxy Form and green General Meetings Proxy Form to Ardent Leisure Limited c/o Link Market Services Limited, 1A Homebush Bay Drive, Rhodes, NSW 2138.

To be valid, the blue Proxy Form in respect of the Company Scheme Meeting must be received by the Registry by 10.45am on Sunday, 18 November 2018.

To be valid, the green Proxy Form in respect of the General Meetings must be received by the Registry by 11.00 am on Sunday, 18 November 2018.

For further information on proxy voting, please refer to the detailed instructions contained in your Proxy Forms.

Further information on the procedure for voting at the Meetings can be found in section 2, section 10 and the notices of Meetings at Annexure E and Annexure F of this Securityholder Booklet.

3.3 Step 3: Participate in the Proposal

If you are eligible and wish to Participate in the Proposal you will need to ensure that you hold your Ardent Leisure Group Stapled Securities on the Record Date being as at 7.00 pm on Monday, 3 December 2018.

You do not need to do anything else to Participate in the Proposal.

The first day you can trade NewCo Shares that you will receive under the Proposal is Friday, 30 November 2018 on a deferred settlement basis on the ASX. On this day, you will not have received your holding statement which sets out the number of NewCo Shares you hold. If you trade your NewCo Shares on the ASX in this period you do so at your own risk.

Holding statements are expected to be despatched on Thursday, 27 December 2018 and you should receive your holding statement in the subsequent days. Normal T+2 settlement trading of NewCo Shares will commence on Monday, 31 December 2018. Settlement of on-market trades conducted on a deferred settlement basis on the ASX as well as settlement of trades conducted on Thursday, 27 December 2018 on a normal T+2 settlement basis on the ASX will be on Monday, 31 December 2018.

Foreign Securityholders

Foreign Securityholders with a registered address in the following jurisdictions can Participate in the Proposal: Canada, Cayman Islands, China*, Czech Republic*, France*, Hong Kong*, Ireland*, Israel*, Japan*, Kuwait, Luxembourg*, Netherlands*, New Zealand, Norway*, Singapore, Switzerland, United Arab Emirates, United Kingdom, and United States.

Participation in jurisdictions marked with * is subject to certain criteria - see section 6.15. Please note that if you are a Foreign Securityholder in any of the above jurisdictions marked with an * you must have regard to the fact that if the total number of Foreign Securityholders in your jurisdiction is greater than the number stipulated in section 6.15, or any other criteria applying to that jurisdiction referenced in section 6.15 are not met, you will not be an Eligible Foreign Securityholder and accordingly will not be entitled to receive NewCo Shares under the Proposal and so would not be able to settle any purported sale of NewCo Shares entered into during the deferred settlement period. Following the Record Date, Ardent Leisure Group will advise Foreign Securityholders in jurisdictions marked with * as to whether they are Eligible Foreign Securityholders. If you are in any doubt as to whether you are an Eligible Securityholder you should await receipt of a holding statement before trading in any NewCo Shares.

Securityholders in other jurisdictions are expected to be Ineligible Foreign Securityholders. Ineligible Foreign Securityholders will not receive NewCo Shares under the Proposal, but will instead receive the proceeds from the sale of the NewCo Shares which they would have otherwise received had they been Eligible Securityholders.

Foreign Securityholders should refer to section 6.15 for further information.

4 Letter to Ardent Leisure Group Securityholders

CONTACT DETAILS

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Ardent Leisure Trust
ARSN 093 193 438
Ardent Leisure Limited
ABN 22 104 529 106
Ardent Leisure Management Limited
ABN 36 079 630 676
(AFS Licence No. 247010)



Dear Ardent Leisure Group Securityholders,

This Securityholder Booklet provides information in relation to a Proposal to restructure Ardent Leisure Group which requires your approval.

If the Proposal is approved and implemented, the Ardent Leisure Group will no longer be a stapled entity and will be held by a new Australian company, Ardent Leisure Group Limited (**NewCo**), which will remain listed on the ASX (under the code ALG). Eligible Securityholders will hold one share in NewCo for each Ardent Leisure Group Stapled Security they currently hold. The Securityholder Booklet also includes information about an internal Restructure that is proposed to be undertaken after implementation of the above Proposal. Securityholder approval is not required for the Restructure.

Neither the underlying businesses nor the assets or liabilities of Ardent Leisure Group will change under the Proposal or the Restructure, and therefore the economic interest of Eligible Securityholders will not change. Even though these things will not change, the Ardent Leisure Group Directors believe that the complexity of Ardent Leisure Group's current stapled structure is no longer relevant and that the Proposal and the Restructure have a number of benefits. The benefits of the Proposal include:

- **greater flexibility to fund investment into growth:** the Proposal will allow the Group to retain a higher proportion of its earnings to fund growth of Main Event and make future capital investment in Dreamworld, as well as to develop new attractions and implement continuous safety improvements at Dreamworld in its pursuit of global best practice in all aspects of theme park operations;
- **more attractive to a broader range of investors:** the simplification of the corporate structure, with the removal of the Trust at the head of the group may make Ardent Leisure Group more attractive to a broader range of investors;
- **stapled structure no longer deemed relevant given concentration of business outside of the Trust:** given the recent sales of the Health Club division, the Marinas business and the Bowling and Entertainment division, the Group's business is now concentrated on the "corporate" side of the stapled structure and so maintaining the stapled structure is less relevant;
- **reduced costs:** the Ardent Leisure Group Directors anticipate that implementing the Proposal and a simpler corporate structure will result in reduced administration and potential cost savings;
- **reduces regulatory uncertainty:** the Proposal should remove the need to mitigate the risks and uncertainties that are inherently associated with stapled structures, which would otherwise increase associated costs;
- **facilitates development of excess land at Dreamworld:** to retain its status (for Australian income tax purposes) the Trust's activities are limited in certain ways. The development of the Dreamworld land could jeopardise the Trust's tax classification. These constraints should no longer apply after implementing the Proposal as the Trust will be within a tax consolidated group; and

- **simplification in financial reporting:** the Proposal will also result in a more simplified presentation of Ardent Leisure Group's future financial reports, which will further increase transparency compared to the way in which Ardent Leisure Group is currently required to report as a stapled group.

These benefits are further explained in section 6.3.

The Ardent Leisure Group Directors encourage all Securityholders to vote in favour of all of the Resolutions to facilitate the Proposal at the upcoming Meetings on Tuesday, 20 November 2018.

There are also a number of reasons why Securityholders may choose not to vote in favour of the Proposal, including:

- **profile of future distributions:** distributions (of income and capital) by the Trust have historically comprised a large component of the distributions paid by Ardent Leisure Group. If the Proposal is implemented, any distributions paid by Ardent Leisure Group would be in the form of dividends from NewCo and would not include any capital or income distribution from the Trust. Any future dividend payments will be dependent on the financial position and capital requirements of NewCo, amongst other criteria, and will be based on the discretion of the NewCo Directors. Given that the Proposal will allow a higher proportion of the Ardent Leisure Group's earnings to fund growth of Main Event and make future capital investments in Dreamworld, then, to the extent the NewCo Directors exercise their discretion to do that, future distributions may be lower than they otherwise would have been in those periods. The profile of future distributions may not suit all investors and some Ardent Leisure Group Securityholders may prefer to continue to receive tax-deferred distributions;
- **Trust net income subject to tax:** the Proposal will result in Ardent Leisure Group moving to a single holding company, which means that the net income of the Trust will be subject to tax before it can be distributed to Ardent Leisure Group Securityholders; and
- **transaction costs:** the preparation and implementation of the Proposal (and Restructure) will result in one-off transaction costs for the Group. The majority of these costs will be incurred prior to the date of the Meetings.

See section 6.4 for more information on these points.

Deloitte Corporate Finance Pty Limited, the Independent Expert who has considered the Proposal and the Restructure, has concluded that the Proposal and the Restructure is in the best interests of Ardent Leisure Group Securityholders because the advantages of the Proposal outweigh the disadvantages. The full Independent Expert's Report, which sets out the reasons for this conclusion in more detail and which you are encouraged to read in full, is included at Annexure A to this Securityholder Booklet.

The Ardent Leisure Group Directors considered a number of alternatives to the Proposal, including to maintain the current structure and different methods of collapsing the existing structure. After careful consideration, the Ardent Leisure Group Directors determined that the Proposal is the preferred option in the interests of Ardent Leisure Group Securityholders going forward because it best achieves the benefits listed above.

Because the Ardent Leisure Group Directors consider the benefits of the Proposal listed above to outweigh the disadvantages and risks of the Proposal outlined above, **the Ardent Leisure Group Directors believe that the Proposal is in the best interests of Ardent Leisure Group Securityholders and unanimously recommend that you vote in favour of the Resolutions.**

The Proposal requires the approval of Ardent Leisure Group Securityholders at Meetings to be held on:

Tuesday, 20 November 2018 from 10.45am (Sydney time) (or as soon thereafter as the AGM has concluded) at The Mint, 10 Macquarie Street, Sydney, NSW 2000.

We encourage you all to attend the Meetings or to vote by proxy as outlined in section 3 of this Securityholder Booklet. Before determining how to vote on the Resolutions, we encourage you to read the information in this Securityholder Booklet, including the Independent Expert's Report.

If you have any questions in relation to the Proposal, the Meetings or this Securityholder Booklet, please call the ALG Securityholder Information Line on 1300 502 987 (toll free from within Australia) or +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday.

The Proposal will further facilitate Ardent Leisure Group's focus on delivering increased value to Securityholders. We thank you for your continued support as an Ardent Leisure Group Securityholder.

Yours sincerely,

Dr Gary Weiss
Chairman
for and on behalf of the Ardent Leisure Group Directors

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5 Frequently asked questions

5.1 Details of the Proposal

Question	Answer	Where to find more information
1 What is the Proposal?	<p>The Proposal is a restructure under which NewCo will become the single head entity of the Ardent Leisure Group in place of the current stapled structure.</p> <p>If implemented, the Proposal will result in Ardent Leisure Group Securityholders holding NewCo Shares in place of Ardent Leisure Group Stapled Securities.</p> <p>The Proposal will be implemented by way of two Schemes - the Company Scheme and the Trust Scheme. For more details on the Schemes see section 5.2 below.</p>	Section 6
2 What is NewCo?	<p>NewCo is an Australian company that has been incorporated specifically for the purposes of implementing the Proposal and operating as the head company of the Ardent Leisure Group with effect from the implementation of the Proposal.</p> <p>NewCo is subject to the requirements of the Corporations Act. Once listed, NewCo will also be subject to the Listing Rules, including the regular reporting and disclosure requirements.</p>	Section 1
3 What is the Restructure?	<p>Following implementation of the Proposal, Ardent Leisure Group intends to undertake a restructure whereby NewCo's holdings in ALL and the Trust are transferred to a newly-incorporated wholly-owned Australian subsidiary of NewCo, Aust HoldCo, and the overseas assets of ALL (being the shares in the US holding company of the group that holds the US Entertainment Centres), are transferred to a second newly-incorporated wholly-owned Australian subsidiary of NewCo, Foreign HoldCo.</p> <p>Ardent Leisure Group currently intends undertake the Restructure in early 2019. No Securityholder approvals are required for the Restructure.</p>	Section 6.13

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Question	Answer	Where to find more information
<p>4 What is the effect of the Proposal and/or the Restructure on the business of Ardent Leisure Group?</p>	<p>There will be no change to the underlying business and assets of Ardent Leisure Group as a result of the Proposal or the Restructure. Similarly, there will be no new funds raised, nor any acquisition or disposal of businesses or assets as part of the Proposal or the Restructure.</p> <p>The Ardent Leisure Group Directors and the Ardent Leisure Group management team will not change as a result of the Proposal or the Restructure.</p>	<p>Sections 6.1, 6.10 and 11.21</p>
<p>5 Where can I find more information about the financial impact of the Proposal?</p>	<p>The financial impact of the Proposal, including the pro forma historical consolidated balance sheet of Ardent Leisure Group as at 26 June 2018 and impact on future distributions is set out in section 8.</p>	<p>Section 8</p>
<p>6 Why is Ardent Leisure Group undertaking the Proposal and what are the benefits to Ardent Leisure Group Securityholders?</p>	<p>The Ardent Leisure Group Directors consider that the Proposal will deliver key benefits to Ardent Leisure Group Securityholders, as further set out in section 6.10.</p> <p>The advantages and potential disadvantages of the Proposal, plus alternatives considered and discounted by the Ardent Leisure Group Directors, are set out in sections 6.2 to 6.5.</p> <p>Details on the financial impact of the Proposal are set out in section 8.</p>	<p>Sections 6.2, 6.3, 6.4, 6.5, 6.10 and 8</p>
<p>7 Will my interest as an Ardent Leisure Group Securityholder change if the Proposal is implemented?</p>	<p>If the Proposal is implemented, Ardent Leisure Group Securityholders will no longer hold Ardent Leisure Group Stapled Securities and will instead hold NewCo Shares.</p> <p>The Proposal will not result in any significant change to the overall investment of Ardent Leisure Group Securityholders.</p> <p>Eligible Securityholders will continue to hold the same proportionate interest in Ardent Leisure Group following implementation of the Proposal.</p> <p>Ineligible Foreign Securityholders (being those located in jurisdictions where it is not practicable to issue NewCo Shares due to legal and other restrictions) will have their NewCo Shares sold through the Sale Facility. See section 10.3 for more details on the Sale Facility process.</p>	<p>Sections 6.10 and 10.3</p>

Question	Answer	Where to find more information
<p>8 What impact will the Proposal have on distributions?</p>	<p>Historically, a proportion of distributions to Ardent Leisure Group Securityholders has comprised a return of capital from the Trust. These amounts may not have been immediately subject to tax in the hands of Ardent Leisure Group Securityholders, but did reduce the cost base of the Ardent Leisure Group Stapled Securities for capital gains tax purposes, resulting in taxation on a deferred basis upon ultimate disposal of Ardent Leisure Group Stapled Securities for those Ardent Leisure Group Securityholders who are subject to Australian capital gains tax.</p> <p>If the Proposal is implemented and the listing of NewCo is successful, future periodic distributions are expected to be entirely paid as dividends by NewCo, in contrast to historical distributions, which have been predominantly income and capital distributions from the Trust. Any future dividend payments will be dependent on the financial position and capital requirements of NewCo, amongst other criteria, and will be based on the discretion of the NewCo Directors.</p>	<p>Section 8.7</p>
<p>9 What are the overall costs of the Proposal?</p>	<p>Total overall costs of the Proposal for Ardent Leisure Group are expected to be A\$3 million, the majority of which have will be incurred by the date of the Meetings and will be paid whether the Proposal is implemented or not. These costs include advisory costs, the cost of the Independent Expert and the ASX listing costs of NewCo.</p> <p>There are no break fees or break costs payable by Ardent Leisure Group under the Implementation Deed if (for whatever reason) the Proposal is not implemented.</p>	<p>Section 6.4</p>
<p>10 Must I pay any cash consideration as part of the Proposal?</p>	<p>No. Ardent Leisure Group Securityholders are not required to pay any cash consideration in connection with the Proposal.</p>	<p>Section 6.10</p>

Question	Answer	Where to find more information
<p>11 What are my tax implications as a result of the Proposal</p>	<p>A general summary of the Australian tax implications of the Proposal is included in the Australian Tax Letter in section 9.</p> <p>As the Australian Tax Letter is general in nature and is not intended to consider the specific objectives, situation or needs of each Ardent Leisure Group Securityholder, which can affect the tax consequences of the Proposal, Securityholders should not rely on the Australian Tax Letter and should seek appropriate independent professional advice that considers the taxation implications in respect of their own particular circumstances. Securityholders will not have to pay brokerage fees, GST or stamp duty in connection with the Proposal.</p>	<p>The Australian Tax Letter at section 9</p>

5.2 The Schemes

Question	Answer	Where to find more information
<p>1 What is the Company Scheme?</p>	<p>The Company Scheme is an arrangement between ALL and the Ardent Leisure Group Securityholders under which NewCo will acquire all of the ALL Shares held by Ardent Leisure Group Securityholders and, as consideration, Eligible Securityholders will be issued one NewCo Share for every ALL Share they hold.</p> <p>The terms of the Company Scheme are set out in Annexure C.</p> <p>Immediately following implementation of the Company Scheme and the Trust Scheme, there will be a consolidation of NewCo Shares on a 2:1 basis so each Eligible Securityholder will only hold one NewCo Share for every Ardent Leisure Group Stapled Security they hold.</p>	<p>Section 6 and Annexure C</p>

Question	Answer	Where to find more information
<p>2 What is the Trust Scheme?</p>	<p>The Trust Scheme is an arrangement between the Trust and Ardent Leisure Group Securityholders under which NewCo will acquire all of the Trust Units from the Securityholders and Ardent Leisure Group Securityholders will be issued 1 NewCo Share for each Trust Unit. The Trust Scheme will commence on the Implementation Date immediately following completion of the Company Scheme.</p> <p>The terms of the Trust Scheme are set out in the Trust Constitution Amendments in Annexure D.</p> <p>Immediately following implementation of the Company Scheme and the Trust Scheme, there will be a consolidation of NewCo Shares on a 2:1 basis so each Eligible Securityholder will only hold one NewCo Share for every Ardent Leisure Group Stapled Security they hold.</p>	<p>Section 6 and Annexure C</p>
<p>3 How are the Schemes approved?</p>	<p>The Company Scheme is a scheme of arrangement under the Corporations Act. It requires an order from the Court approving the convening of the Company Scheme Meeting, which has already been obtained. If the Resolutions are then approved by Ardent Leisure Group Securityholders at the Meetings, the Second Court Hearing will then be held to obtain orders from the Court formally approving the Company Scheme.</p> <p>Ardent Leisure Group has obtained judicial advice from the Court that ALML, as the responsible entity of the Trust, is justified in convening the General Meetings in respect of the Trust Scheme.</p> <p>If the Resolutions are then approved by Ardent Leisure Group Securityholders at the Meetings, the Second Court Hearing will then be held to obtain judicial advice to approve the implementation of the Trust Scheme.</p> <p>The Trust Scheme and the Company Scheme are inter-conditional and will not be implemented unless both are approved.</p>	<p>Annexure E and Annexure F</p>

Question	Answer	Where to find more information
<p>4 Why does approval of the Schemes need to go to Court?</p>	<p>Schemes of arrangement are commonly brought before the Court in order to obtain certain orders, directions and judicial advice.</p> <p>Ardent Leisure Group has already had the First Court Hearing and obtained:</p> <ul style="list-style-type: none"> • orders from the Court approving the convening of the Company Scheme Meeting in relation to the Company Scheme; and • judicial advice from the Court under section 63 of the Trustee Act 1925 (NSW) that ALML, as the responsible entity of the Trust, would be justified in convening the General Meetings and proceeding on the basis that amending the Trust Constitution as contemplated by the Resolutions would be within the powers conferred by the Trust Constitution and section 601GC of the Corporations Act. 	<p>Sections 10.4 and 10.5</p>
<p>5 Why is the Second Court Hearing needed?</p>	<p>The Second Court Hearing is needed to obtain:</p> <ul style="list-style-type: none"> • orders from the Court pursuant to section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving the Company Scheme; and • judicial advice from the Court under section 63 of the Trustee Act 1925 (NSW) that ALML, as the responsible entity of the Trust, would be justified in implementing the Trust Scheme, giving effect to amendments to the Trust Constitution, and doing all things and taking all necessary steps to effect the Trust Scheme. 	<p>Sections 10.4 and 10.5</p>
<p>6 When will the Company Scheme become Effective?</p>	<p>The Company Scheme will become Effective when a copy of the orders of the Court approving the Company Scheme are lodged with ASIC.</p>	<p>Annexure C</p>
<p>7 When will the Trust Scheme become Effective?</p>	<p>The Trust Scheme will become Effective when ALML signs the Trust Constitution Deed Poll and lodges it with ASIC.</p>	<p>Annexure C</p>

Question	Answer	Where to find more information
8 Are there any conditions to be satisfied for the Schemes to be implemented?	<p>The Schemes are subject to the following conditions:</p> <ul style="list-style-type: none"> • Ardent Leisure Group Securityholders passing the Resolutions; • The Court approving the Company Scheme and issuing judicial advice in respect of the Trust Scheme; • Receipt of relevant ASIC relief and ASX waiver, including the in principle approval by the ASX of the listing of NewCo; • No injunction having been issued preventing or materially restricting the Proposal prior to the Second Court Hearing Date; and • written consent from the Agent on behalf of Ardent Leisure Group’s financiers for the implementation of the Schemes and the Restructure on terms and conditions acceptable to Ardent Leisure Group having been obtained prior to the Second Court Hearing Date. 	Section 10.2
9 What happens if the conditions are not satisfied or waived?	If the conditions are not satisfied or waived by the End Date the Proposal will not proceed.	Annexure C

5.3 The Meetings

Question	Answer	Where to find more information
1 What resolutions will be considered at the Company Scheme Meeting?	A resolution (being the Company Scheme Resolution) for the purposes of approving the scheme of arrangement proposed between ALL and the Securityholders for the purposes of section 411 of the Corporations Act.	Section 10.4 and Annexure E
2 Why are the General Meetings being held in addition to the Company Scheme Meeting?	The General Meetings are necessary for Ardent Leisure Group Securityholders to consider, and if thought fit, pass the General Meetings Resolutions which relate to matters that are necessary and in addition to the Company Scheme Resolution for the implementation of the Proposal, including the implementation of the Trust Scheme.	Sections 10.5, 10.5(b), Annexure E and Annexure F

Question	Answer	Where to find more information
<p>3 What resolutions will be considered at the General Meetings?</p>	<p>The following resolutions (being the General Meetings Resolutions) will be put to the vote at the General Meetings:</p> <ul style="list-style-type: none"> • the Destapling of the ALL Shares from the Trust Units; • that subject to and conditional upon the Company Scheme becoming Effective, the Trust Constitution be amended in accordance with the provisions set out in the Trust Constitution Deed Poll; • ALML, as responsible entity of the Trust, be authorised to execute the Trust Constitution Deed Poll and lodge it with ASIC to give effect to the Trust Constitution Amendments; and • the acquisition by NewCo of all of the Trust Units for the purposes of item 7 of section 611 of the Corporations Act. 	<p>Section 10.5 and Annexure F</p>
<p>4 Can I vote differently on each Resolution?</p>	<p>Yes. However, in order for the Proposal to be implemented, all Resolutions are required to be approved by the requisite majorities of Ardent Leisure Group Securityholders as the Resolutions are all inter-conditional.</p>	<p>Section 10.7</p>

Question	Answer	Where to find more information
<p>5 What are the requisite majorities for passing the resolutions?</p>	<p>Different approval thresholds apply to the Resolutions.</p> <p>The approval thresholds for each of the Resolutions are as follows:</p> <ul style="list-style-type: none"> • the Company Scheme Resolution will be passed only if they are each passed by a majority in number of Securityholders who voted (in person or by proxy or representative) and 75% of the votes cast by Securityholders entitled to vote • the resolutions approving the Trust Constitution Amendments and the Destapling of Ardent Leisure Group Stapled Securities will be passed only if in each case they have been passed by at least 75% of the votes cast by Securityholders who voted (in person or by proxy or representative) • the resolution approving the acquisition by NewCo of all of the Trust Units under the Trust Scheme for the purposes of item 7 of section 611 of the Corporations Act will be passed only if it has been passed by at least 50% of the votes cast by the Securityholders who voted (in person or by proxy or representative) 	<p>Section 10.7</p>
<p>6 What if I do not vote on the Resolutions or vote against a Resolution?</p>	<p>If you do not vote on the Resolutions, or vote against a Resolution, and the Resolutions are approved by the requisite majorities of Ardent Leisure Group Securityholders, the Proposal will still be implemented if the other conditions are met, and you will be bound to participate in the Schemes if you are on the Register as an Ardent Leisure Group Securityholder on the Record Date.</p>	<p>Section 6.16</p>
<p>7 What happens if some of the Resolutions are approved but others are not?</p>	<p>The Resolutions are all inter-conditional. If any of the Resolutions are not approved by the requisite majority of Ardent Leisure Group Securityholders, the Proposal will not be implemented.</p>	<p>Section 6.16</p>

Question	Answer	Where to find more information
<p>8 Where and when do I send my Proxy Forms?</p>	<p>To vote by proxy, you need to complete and return the Proxy Forms accompanying this Securityholder Booklet and information memorandum.</p> <p>You must ensure that your Proxy Forms (and a certified copy of the relevant authority under which they are signed) are received by the registry, Link Market Services Limited on behalf of Ardent Leisure Group, by no later than 10.45 am (in respect of the blue Company Scheme Meeting Proxy Form) and 11.00 am (in respect of the green General Meetings Proxy Form) on Sunday, 18 November 2018:</p> <ul style="list-style-type: none"> • by mail at Link Market Services Limited's postal address at Locked Bag A14, Sydney South NSW 1235; or • by hand delivery at Link Market Services Limited's physical address at 1A Homebush Bay Drive, Rhodes, NSW 2138; or • by fax at Link Market Services Limited's fax number, +61 2 9287 0309; or • electronically at www.linkmarketservices.com.au (as detailed on the Proxy Forms). <p>Intermediaries (custodians) with access to Intermediary Online through Link Market Services Limited should lodge their votes through www.linkmarketservices.com.au.</p>	<p>Section 3.2, Annexure E and Annexure F</p>
<p>9 When will the results of the Meetings be known?</p>	<p>Ardent Leisure Group will announce the results of the Meetings to the ASX once the results have been finalised (expected to be later on 20 November 2018).</p>	<p>Section 2.1</p>

5.4 Any other questions

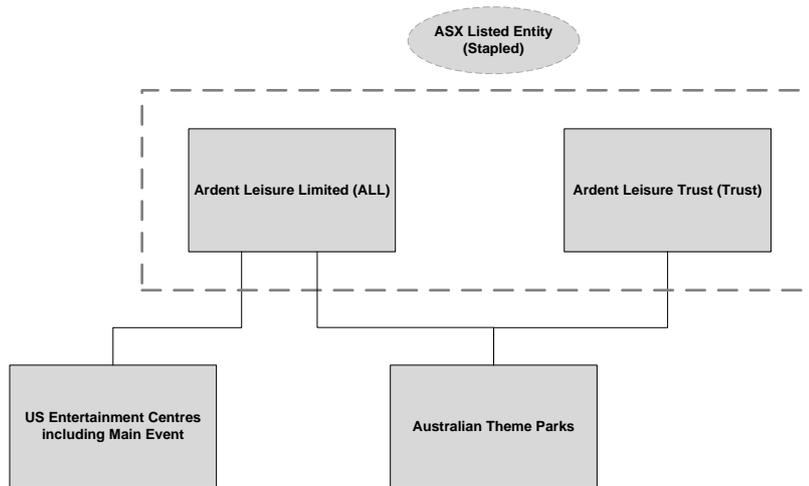
You may contact the ALG Securityholder Information Line on 1300 502 987 (toll free from within Australia) or +61 2 8022 7944 (outside Australia), Monday to Friday between 9.00 am and 5.00 pm (Sydney time). If you are in any doubt as to whether to vote in favour of or against any of the Resolutions, you should consult your investment, financial, tax, legal or other professional advisers.

6 Description of the Proposal

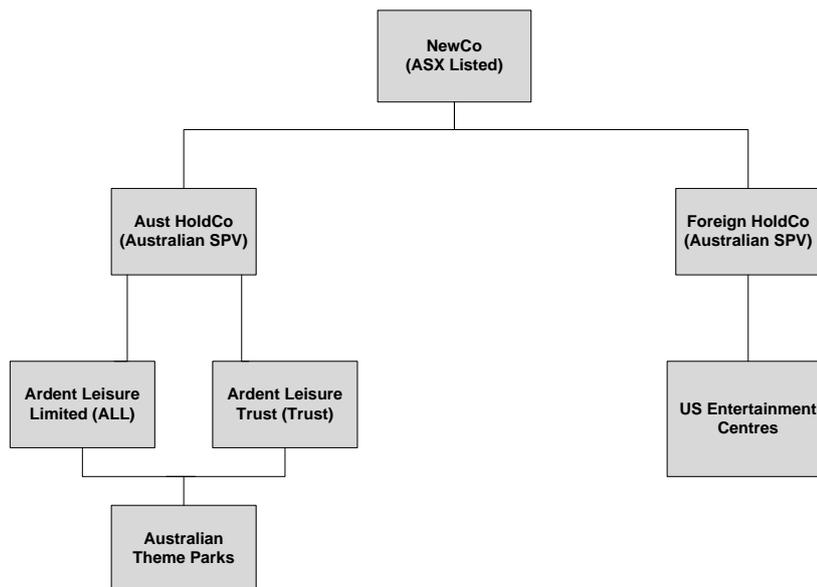
6.1 Ardent Leisure Group structure before and after the Proposal and Restructure

Ardent Leisure Group is currently a stapled group. Ardent Leisure Group Securityholders hold shares in ALL, which is an Australian-incorporated public company, and units in the Trust, which is a unit trust and a registered managed investment scheme. Each share in ALL is stapled to a unit in the Trust. Ardent Leisure Group Stapled Securities can only be dealt with together and represent separate interests in ALL and the Trust. Each of ALL and the Trust are listed on the ASX.

The following diagram provides a high-level overview of Ardent Leisure Group's current structure:



A high-level overview of the of Ardent Leisure Group's structure following the implementation of the Proposal and completion of the Restructure in early 2019 is shown in the following diagram:



The underlying business and assets of Ardent Leisure Group will not change as a result of the Proposal or the Restructure, and accordingly the economic interests of Ardent Leisure Group Securityholders will not change. Eligible Securityholders will hold the same

number of NewCo Shares as the number of Ardent Leisure Group Stapled Securities they held as that the Record Date.

In the period following the implementation of the Proposal, the Trust will cease to operate as a registered scheme and ALML will retire as responsible entity of the Trust (but will continue to act as the trustee of the Trust).

6.2 Background – status quo and rationale for the Proposal

Ardent Leisure Group became a stapled group in 2003 when the unitholders of the ASX-listed entity, Macquarie Leisure Trust, approved the stapling of units in the Macquarie Leisure Trust to shares in Macquarie Leisure Operations Limited to create the Macquarie Leisure Group (since renamed to the Ardent Leisure Group).

Since that time, there have been a number of significant changes to Ardent Leisure Group's circumstances:

- the Health Club division, which comprised the Goodlife health clubs, was sold in October 2016, the Marinas business was sold in August 2017, and the Bowling and Entertainment division was sold in April 2018; and
- the proceeds of each of these sales has been used by Ardent Leisure Group to repay the Group's existing bank debt with Ardent Leisure Group's net debt as at 26 June 2018 being approximately \$11 million.

As Ardent Leisure Group's operations and the geographical source of its earnings have become more concentrated in the United States, and its operations have become more focussed on growth businesses, the Ardent Leisure Group Directors have re-considered the stapled structure and its alignment with the Group's longer-term strategic goals.

Factors that the Ardent Leisure Group Directors have considered as part of that review include:

- stapled structures are not unique to Australia, however, they are often unfamiliar to foreign investors, or are considered inappropriate by other investors whose investment mandates do not permit investment into stapled structures, and that this may adversely affect the Group's ability to attract investment by foreign or other affected investors;
- in light of the recent divestitures of the Australian businesses outlined above and growth of the US-based Main Event business which resides in the corporate (ALL) side of the Ardent Leisure Group, any remaining benefits of Ardent Leisure Group's stapled structure are expected to be offset, firstly by the countervailing disadvantages of continuing to operate as a stapled structure including increased compliance, governance and reporting costs, and secondly by restrictive adverse Australian tax laws;
- a stapled structure constrains the Group's ability to reinvest a higher proportion of its annual profits back into its businesses (due to the requirement to distribute all of the earnings of the Trust); and
- whether an alternative structure to the stapled structure provides optimal flexibility for future corporate transactions, including financing arrangements (which will be more reliant upon revenue generated by the Main Event business in the United States given that this now represents the majority of Ardent Leisure Group's revenue and profit), divestments and mergers and acquisitions activity.

The Ardent Leisure Group Directors consider that the current stapled structure is no longer optimal and that an alternative structure is required to reduce complexity and

ensure that Ardent Leisure Group is well placed to extract value from its assets and operations in Australia and the United States.

6.3 Reasons why you should vote in favour of the Resolutions

(a) Greater flexibility to achieve future business objectives

The Proposal should provide greater flexibility for Ardent Leisure Group in a number of possible ways:

- as Ardent Leisure Group has explained in its recent full year financial results, Ardent Leisure Group will deploy capital to fund its growth strategies at Main Event as well as to develop new attractions and other infrastructure and safety improvements to make progress towards becoming the preeminent Gold Coast entertainment precinct built around Dreamworld. The Ardent Leisure Group Directors consider that the Proposal will facilitate this because it would allow Ardent Leisure Group to retain a higher proportion of its earnings to fund growth of Main Event and make future capital investment in Dreamworld as there will no longer be a requirement to distribute all of the earnings of the Trust to Ardent Leisure Group Securityholders; and
- were Ardent Leisure Group to develop the land surrounding the Dreamworld theme park, this could negate the 'flow through' status (for Australian tax purposes) of the Trust which may prejudice those Ardent Leisure Group Securityholders who prefer to receive tax-free distributions.

In addition, the Restructure will result in the separation of the holding companies of the Ardent Leisure Group from the operational companies within the Ardent Leisure Group. This alteration to the holding structure and internal organisation of the Ardent Leisure Group's assets provides increased optionality for future corporate transactions of the Ardent Leisure Group and its two business divisions, US Entertainment Centres and Australian Theme Parks, including flexibility for any future capital expenditure or merger and acquisition activity undertaken by Ardent Leisure Group or in relation to those divisions.

(b) Potential broader investor appeal

The Proposal will simplify the corporate structure of Ardent Leisure Group. Securityholders will hold their investment in Ardent Leisure Group through shares in one entity only (being NewCo), rather than the current stapled structure. The Ardent Leisure Group Directors anticipate that a structure with NewCo as the listed entity will make Ardent Leisure Group more attractive to a broader range of investors who are not as familiar with stapled structures, or who are precluded by their underlying investment mandates from investing in stapled structures or in listed trusts.

(c) Stapled structure no longer as relevant to the Ardent Leisure Group

Although they have been common in Australia, stapled security structures were often adopted by organisations with multiple delineated business and distinct revenue streams. Following changes to the business of Ardent Leisure Group since the stapled structure was adopted in 2003, including the recent sales outlined in section 6.2, a large proportion of Ardent Leisure Group's revenue is now derived from the Main Event business operated in the United States which is held on the "corporate" side of the stapled structure. Accordingly the stapled structure is no longer as relevant to Ardent Leisure Group as it has previously been.

(d) Reduced head office costs

The Ardent Leisure Group Directors anticipate that implementing the Proposal and a simpler corporate structure will result in reduced administration and potential cost savings. The current stapled structure requires Ardent Leisure Group to maintain additional management, reporting, financing and compliance processes and procedures in order to satisfy certain reporting and regulatory requirements. Since the Trust is currently required to be a registered managed investment scheme, this also involves additional compliance costs, including the requirement for ALML (the responsible entity of the Trust) to maintain an Australian financial services licence, and the need to have a separate custodian for Trust assets. Following the implementation of the Proposal, the Trust would be able to deregister as a managed investment scheme, removing the need to incur such costs.

(e) Reduced regulatory uncertainty

With the sale, in recent years, of three of the Ardent Leisure Group's four Australian based businesses, the benefits to Securityholders of continuing with a stapled structure do not justify the ongoing costs of maintaining that structure, which also require the taking of steps to mitigate certain risks and uncertainties associated with stapled structures. For example, if ALL and the Trust are members of the same consolidated group (for Australian income tax purposes) and are no longer in a stapled structure, there will no longer be a need to regularly reaffirm the arm's length nature of any cross-staple transactions between the two entities, as intra-group transactions will be disregarded by the ATO for Australian income tax purposes.

(f) Simplified financial and tax reporting

The Proposal will also result in a more simplified presentation of Ardent Leisure Group's future financial reports, which should make it easier to read those financial reports, compared to the way in which Ardent Leisure Group is required to report now as a stapled group. Currently Ardent Leisure Group is required by the accounting standards to report both on a "Consolidated Group" basis, representing ALL and its controlled entities and the Trust and its controlled entities, and on a separate "ALL Group" basis, representing simply ALL and its controlled entities. This duplicity of reporting will not be required following the Proposal, resulting in simplified annual reports of the Ardent Leisure Group. In addition, each year, Ardent Leisure Group Securityholders receive a taxation statement that identifies their respective share of the various income and capital components that made up the distributions paid by the Trust for that income year. Such statements also provide details on how a number of these components should be shown on their Australian tax return. The Ardent Leisure Group Directors expect that if the Proposal is implemented, NewCo will pay any future periodic distributions generally in the form of dividends paid by NewCo. The dividend statement accompanying any such dividend is a much simplified form of taxation reporting and provides Ardent Leisure Securityholders with less complex distribution statements in order to manage their own Australian taxation affairs.

(g) Ardent Leisure Group Directors recommendation

The Ardent Leisure Group Directors have unanimously recommended that you vote in favour of the Resolutions.

(h) Conclusion of the Independent Expert

The Independent Expert has concluded that the Proposal and the Restructure is in the best interests of Ardent Leisure Group Securityholders. See Annexure A for a copy of the Independent Expert's Report.

6.4 Reasons why you might vote against the Resolutions

(a) Profile of future distributions may not suit all investors

Distributions (of income and capital) by the Trust have historically comprised a large component of the distributions paid by Ardent Leisure Group. If the Proposal is implemented, any distributions paid by Ardent Leisure Group would be from NewCo and would not include any capital or income distribution from the Trust.

The Ardent Leisure Group Directors expect that if the Proposal is implemented, NewCo will pay any future periodic distributions generally in the form of dividends. Any future dividend payments will be dependent on the financial position and capital requirements of NewCo, amongst other criteria, and will be based on the discretion of the NewCo Directors. NewCo will put in place a new dividend reinvestment plan associated with any future dividend payments (but it will be in the discretion of the NewCo Directors whether to activate that plan for any given future dividend – see section 11.12 for further details). The tax treatment of trust income distributions and dividends received by securityholders in Australia and overseas jurisdictions differs. This may not suit all investors, particularly where investors are not able to obtain the benefit of any additional franking credits to the extent those are available for distribution by NewCo as part of future dividends (see section 8.7 for further details).

(b) Less of an ability to make tax deferred distributions

Historically, a proportion of distributions to Ardent Leisure Group Securityholders has comprised a return of capital from the Trust. These amounts may not have been immediately subject to tax in the hands of Ardent Leisure Group Securityholders, but did reduce the cost base of the Ardent Leisure Group Stapled Securities for capital gains tax purposes, resulting in taxation on a deferred basis upon ultimate disposal of Ardent Leisure Group Stapled Securities for those Ardent Leisure Group Securityholders who are subject to Australian capital gains tax. Some Ardent Leisure Group Securityholders may prefer to continue to receive tax-deferred distributions.

(c) Taxation of Trust income

The Proposal will result in Ardent Leisure Group moving to a single holding company, which means that the net income of the Trust will be subject to tax before it can be distributed to Ardent Leisure Group Securityholders (as a dividend). Presently, the trustee of the Trust is not liable for the payment of income tax provided that its net taxable income, as determined under the Trust Constitution, is fully distributed to its unit holders.

(d) Transaction costs

The preparation and implementation of the Proposal (and Restructure) will result in one-off transaction costs, which as at the date of this Securityholder Booklet are estimated to be about A\$3 million, the majority of which will have been incurred by the date of the Meetings.

Ardent Leisure Group has sought a stamp duty exemption for the Restructure (see section 11.15). As at the date of this Securityholder Booklet, Ardent Leisure Group does not know the outcome of the exemption application. While Ardent Leisure Group believes that the current policies and practices of the Queensland Treasury support the grant of that stamp duty exemption, any such exemption would be granted on the basis that NewCo and Aust HoldCo remain part of the same corporate group for a period (of three years) following implementation of the Proposal. As such, any future restructure of the Ardent Leisure Group within that time period would need to satisfy that requirement so as not to unwind that stamp duty exemption. Any change in the ownership of NewCo would not invalidate the exemption.

Nevertheless, there is a risk that the exemption will not be granted. In that case, the magnitude of the potential stamp duty impost may not justify the Restructure taking place. In that case, the NewCo Directors will re-assess whether or not to proceed in full with the Restructure, and have the flexibility under the Implementation Deed to terminate the Restructure.

In addition, Ardent Leisure Group will seek from the Queensland Treasury confirmation that the Proposal attracts concessional (rather than ad valorem) rates of stamp duty. This confirmation will be sought after the Implementation Date. While it has been currently estimated to be approximately \$630,000, the magnitude of this stamp duty liability will be based largely on the market value of the land and relevant fixtures held by the Trust as at the Implementation Date. Accordingly, Ardent Leisure Group will not know the final amount of stamp duty payable in respect of the Proposal until after the Implementation Date.

(e) Potential ATO ruling is not obtained as expected

Ardent Leisure Group has applied for a class ruling from the ATO on behalf of Australian tax resident security holders as set out in section 11.16. As at the date of this Securityholder Booklet, Ardent Leisure Group does not know the outcome of the class ruling application. While Ardent Leisure Group believes that the class ruling will be made available before the Implementation Date, there is a risk that the final class ruling in respect of rollover relief will not be issued by the ATO. However, an Australian tax resident security holder's ability to apply for rollover relief for the Proposal is not dependent on the ATO granting the class ruling.

(f) You may disagree with the conclusion of the Ardent Leisure Group Directors

You may disagree with the conclusion of the Ardent Leisure Group Directors that the Proposal is in the best interests of the Ardent Leisure Group Securityholders.

(g) You may disagree with the conclusion of the Independent Expert

You may disagree with the conclusion of the Independent Expert that the Proposal (and the Restructure) is in the best interests of Ardent Leisure Group Securityholders.

6.5 Alternatives considered by the Ardent Leisure Group Directors

The Ardent Leisure Group Directors have considered a number of potential alternatives to the Proposal. These included:

- maintaining the current structure;
- transferring various assets between ALL and the Trust to streamline asset ownership within the Ardent Leisure Group;
- a restructure whereby ALL becomes the ultimate holding company of Ardent Leisure Group and acquires the Trust; or
- a restructure whereby the Trust becomes the ultimate holding entity of Ardent Leisure Group and acquires ALL.

Having carefully considered each of these alternatives, the Ardent Leisure Group Directors have formed the view that the future interests of Securityholders are best served by the Proposal (and Restructure). None of these other alternatives were expected to achieve the various advantages noted in section 6.3 in a more cost-effective manner than the Proposal.

6.6 Ardent Leisure Group Directors' recommendation

The Ardent Leisure Group Directors believe, for the reasons set out in section 6.3, that the benefits of the Proposal outweigh its disadvantages and risks. In the Ardent Leisure Group Directors' unanimous opinion, the Proposal (and Restructure) is in the best interests of Ardent Leisure Group Securityholders. The Ardent Leisure Group Directors believe that if the Proposal (and Restructure) is implemented, Ardent Leisure Group Securityholders will be better off than if the Proposal (and Restructure) is not implemented.

Each Ardent Leisure Group Director recommends that Ardent Leisure Group Securityholders vote in favour of each Resolution proposed for consideration at the Meetings. Each Ardent Leisure Group Director intends to vote any Ardent Leisure Group Stapled Securities held or controlled by him or her in favour of each of the Resolutions.

6.7 Independent Expert's Report

The Independent Expert appointed to review the Proposal and the Restructure, Deloitte Corporate Finance Pty Limited, has concluded that the Proposal and the Restructure is in the best interests of Ardent Leisure Group Securityholders.

The factors taken into account in reaching this conclusion, and an assessment of the advantages and disadvantages (including risks) of the Proposal, are set out in the Independent Expert's Report at Annexure A. The Ardent Leisure Group Directors encourage you to read the Independent Expert's Report in full.

6.8 Effect of the Proposal on Ardent Leisure Group

The Proposal will not impact the operations of Ardent Leisure Group's underlying Australian Theme Park or Main Event businesses. Both business units will continue to operate within the same regulatory framework and laws and will retain their current regulatory authorisations. The existing third party contracts entered into by the businesses will also remain in place.

Regardless of whether or not the Proposal is implemented, ALL remains as both the operator of Dreamworld and the PCBU (Person Conducting a Business or Undertaking) for the purpose of workplace health and safety legislation, and accordingly the legal processes resulting from the Dreamworld incident in October 2016 involving ALL will not be affected (including the Coronial Inquest, civil claims and any proceedings that may be initiated by the workplace health and safety regulator).

NewCo has irrevocably agreed, with effect from implementation of the Proposal, to guarantee the liabilities of ALL that may arise in respect of the Dreamworld incident and so the Restructure will not impact ALL's capacity to meet any such liabilities.

6.9 Consequences of the Proposal not proceeding

If the Proposal does not proceed, Ardent Leisure Group's stapled structure will remain as it is and Ardent Leisure Group Securityholders will continue to hold Ardent Leisure Group Stapled Securities.

In these circumstances, Ardent Leisure Group would continue to incur costs in maintaining the current stapled structure and meeting the various regulatory and compliance obligations of that structure, while Trust distributions to Securityholders would be sourced solely from the Australian Theme Parks business division.

In addition, Australian tax laws (as currently interpreted and administered by the ATO), may restrict the ability to develop the Dreamworld land, while continuing to maintain the

status of the Trust for Australian income tax purposes (i.e. as a non-taxable flow through entity).

6.10 Effect of the Proposal for Ardent Leisure Group Securityholders

Eligible Securityholders will have their current holdings of Ardent Leisure Group Stapled Securities exchanged for an equal number of NewCo Shares. Ineligible Foreign Securityholders will have their Ardent Leisure Group Stapled Securities transferred to the Sale Agent and will receive an amount of cash. See section 6.15 for more details.

The underlying business and assets of Ardent Leisure Group will not change as a result of the Proposal (or Restructure), and therefore the economic interest of Ardent Leisure Group Securityholders will not change as a result of the Proposal (or Restructure).

To the extent that the NewCo Directors determine that distributions are to be made in the future, those distributions will be paid as dividends by NewCo after the Proposal is implemented. Securityholders will no longer receive Trust distributions. The tax treatment of distributions in the hands of Ardent Leisure Group Securityholders will change as a result – see section 9 for more details.

Rollover relief should be available to Australian tax resident Ardent Leisure Group Securityholders that hold the Ardent Leisure Group Stapled Securities on capital account for tax purposes when they exchange Ardent Leisure Group Stapled Securities for NewCo Shares issued under the Schemes. This means that if rollover relief is available, the implementation of the Proposal should not trigger a capital gain or loss in the hands of Ardent Leisure Group Securityholders. Ardent Leisure Group has applied for a class ruling from the ATO on behalf of Australian tax resident Ardent Leisure Group Securityholders to confirm this treatment. The class ruling will only apply to Ardent Leisure Group Securityholders that hold the Ardent Leisure Group Stapled Securities on capital account for tax purposes.

Securityholders will not have to make any cash payment in connection with the Proposal or the Restructure. The Proposal and the Restructure do not involve the payment of a distribution. No stamp duty, GST or brokerage will be payable by Ardent Leisure Group Securityholders on the exchange of Ardent Leisure Group Stapled Securities for NewCo Shares.

Securityholders should be aware that, pursuant to the Schemes, each Ardent Leisure Group Securityholder on the Record Date will be deemed to have warranted to Ardent Leisure Group and, in the case of Ineligible Foreign Securityholders to the Sale Agent, that their Ardent Leisure Group Stapled Securities are not subject to any encumbrances or interests of third parties and that they have full power and capacity to sell and transfer such securities.

6.11 Impact of the Proposal on the next Ardent Leisure Group distribution

As it is proposed that implementation of the Proposal will take place prior to the end of the financial half-year ended 25 December 2018, Ardent Leisure Group Securityholders will not have any entitlement to any distributions payable by the Trust (instead, any distribution will go to NewCo). See section 8.7 for further details of future distributions.

6.12 Implementation steps

If the Proposal is approved, NewCo will become the new parent entity of Ardent Leisure Group by acquiring all of the Ardent Leisure Group Stapled Securities from Ardent Leisure Group Securityholders in exchange for the issue of NewCo Shares to those Ardent Leisure Group Securityholders (or, in the case of Ineligible Foreign Securityholders, to the Sale Agent to be disposed of under the Sale Facility). On the

Implementation Date, the Company Scheme will be implemented first and once it is completed, the Trust Scheme will commence.

Immediately following the implementation of the Proposal, the number of NewCo Shares held by Eligible Securityholders will be consolidated on a two-for-one basis so that Eligible Securityholders will hold one NewCo Share for each Ardent Leisure Group Stapled Security they held before.

See section 10.1 for details about how the Proposal will be implemented.

6.13 Restructure

Provided that the Proposal is implemented, Ardent Leisure Group proposes to undertake the Restructure in early 2019. Under the Restructure, NewCo's holdings in ALL and the Trust will be transferred to a newly-incorporated Australian wholly-owned subsidiary of NewCo, Aust HoldCo, and the overseas assets of ALL (being the shares in the US holding company of the group that holds the US Entertainment Centres), will be transferred to a second newly-incorporated Australian wholly-owned subsidiary of NewCo, Foreign HoldCo.

The steps for the Restructure are:

- (a) the incorporation of two new Australian special purpose vehicles, Aust HoldCo and Foreign HoldCo;
- (b) transferring the ALL Shares and the Trust Units from NewCo to Aust HoldCo; and
- (c) transferring the shares in the US holding company of the group of companies that hold the US Entertainment Centres, from ALL to Foreign HoldCo.

The Australian Theme Parks will continue to be operated by ALL.

For a high level diagrammatic representation of the Ardent Leisure Group structure following the implementation of the Restructure, see section 6.1.

6.14 Conditions

The Proposal is subject to a number of conditions precedent, including the approval by Ardent Leisure Group Securityholders and the Court. For details on those conditions and their status at the date of this Securityholder Booklet, see section 10.2.

6.15 Foreign Securityholders

No action has been taken to register or qualify the NewCo Shares or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

The distribution of this Securityholder Booklet outside of Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Each of Ardent Leisure Group and NewCo disclaim all liability to such persons.

Securityholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

A Foreign Securityholder is any Ardent Leisure Group Securityholder whose address is, or who is a citizen or resident of, a place outside of Australia and its external territories or who acts on behalf of such a person.

Based on the information available to Ardent Leisure Group as at the date of this Securityholder Booklet, Ardent Leisure Group Securityholders whose addresses are shown in the Register on the Record Date as being in the following jurisdictions are Eligible Foreign Securityholders and will be entitled to Participate in the Proposal subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Canada;
- Cayman Islands;
- China – but only where the Ardent Leisure Group Securityholder is a qualified domestic institutional investor, sovereign wealth fund or quasi-government investment fund;
- Czech Republic - but only where, either (i) the Ardent Leisure Group Securityholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in the Czech Republic) or (ii) to an Ardent Leisure Group Securityholder who is not a qualified investor where the number of non-qualified investors is less than 150;
- France, but only where the Ardent Leisure Group Securityholder is a "qualified investor" (as defined in articles D. 411-1, L. 533-16, L. 533-20, D. 533-11 and D. 533-13 of the French Monetary and Financial Code);
- Hong Kong – but only where (i) the Ardent Leisure Group Securityholder is a "professional investor" (as described in section 11.19); and (ii) the Ardent Leisure Group Securityholder is not a professional investor but where the total number of persons who participate in this jurisdiction (including professional investors) is non-qualified investors provided that not more than 50 persons in total;
- Ireland - but only where, either (i) the Ardent Leisure Group Securityholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in Ireland) (as described in section 11.19); or (ii) to an Ardent Leisure Group Securityholder who is not a qualified investor where the number of non-qualified investors is less than 150;
- Israel – but only where the number of Ardent Leisure Group Securityholders is less than 35;
- Japan – but only where the number of Ardent Leisure Group Securityholders is less than 50;
- Kuwait;
- Luxembourg – but only where (i) the Ardent Leisure Group Securityholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in Luxembourg) (as described in section 11.19) or (ii) to an Ardent Leisure Group Securityholder who is not a qualified investor where the number of non-qualified investors is less than 150;
- Netherlands – but only where (i) the Ardent Leisure Group Securityholder is a "qualified investor" (within the meaning of the Prospectus Directive (Directive 2003/71/EC), as amended and implemented in the Netherlands) (as described in section 11.19) or (ii) to an Ardent Leisure Group Securityholder who is not a qualified investor where the number of non-qualified investors is less than 150;
- New Zealand;
- Norway – but only where (i) the Ardent Leisure Group Securityholder is a "professional investor" (as described in section 11.19); and (ii) the Ardent Leisure

Group Securityholder is not a professional investor but where the total number of persons who participate in this jurisdiction (including professional investors) is not more than 150 persons;

- Singapore;
- Switzerland;
- United Arab Emirates;
- United Kingdom;
- United States
- any other jurisdiction where Ardent Leisure Group determines in its absolute discretion it is lawful and not unduly onerous for the relevant Foreign Securityholder to receive NewCo Shares under the Proposal.

Nominees, custodians and other Ardent Leisure Group Securityholders who hold Ardent Leisure Group Stapled Securities on behalf of a beneficial owner resident outside Canada, Cayman Islands, China, Czech Republic, Hong Kong, France, Ireland, Israel, Japan, Kuwait, Luxembourg, Netherlands, New Zealand, Norway, Singapore, Switzerland, United Arab Emirates, United Kingdom, and United States may not forward this Securityholder Booklet (or accompanying documents) to anyone outside these countries.

See section 11.20 for details on the categories of Eligible Foreign Securityholders and applicable provisions of foreign securities laws.

All other Foreign Securityholders will be Ineligible Foreign Securityholders and will not receive NewCo Shares under the Proposal. Rather, their existing holding of Ardent Leisure Group Stapled Securities will be transferred to the Sale Agent who will sell the NewCo Shares it receives under the Schemes and remit the proceeds to Ineligible Foreign Securityholders under the terms of the Sale Facility (see section 10.3). It is not expected that more than 0.09% of Ardent Leisure Group Securityholders will be Ineligible Foreign Securityholders (which is based on the analysis of the Register undertaken prior to the date of this Securityholder Booklet).

The reason for the exclusion of Ineligible Foreign Securityholders from Participation in the Proposal is that restrictions in certain foreign countries may make it impractical or unlawful to offer or receive securities in those countries.

6.16 Overview of Securityholder approvals sought

There are a number of Resolutions that need to be passed at the Meetings for the Proposal to proceed. All Resolutions are inter-conditional, which means that if one Resolution is not passed, the Proposal will not proceed. Securityholder approval is required to:

- approve the Company Scheme (see section 10.4);
- approve the Trust Scheme (which requires the passing of a number of Resolutions) (see section 10.5); and
- approve the Destapling (see section 10.6).

Different approval thresholds apply to the Resolutions. Some of the Resolutions require the approval of at least 75% of the votes cast and of a majority in number of

Securityholders voting (see section 10.7). If the Resolutions are passed, and the other conditions to the Proposal are satisfied (including the approval of the Court), each Eligible Securityholder will Participate in the Proposal, regardless of whether they voted in favour of the Resolutions or whether they voted at all.

If you do not vote on the Resolutions, or vote against a Resolution, and the Resolutions are approved by the requisite majorities of Ardent Leisure Group Securityholders, the Proposal will still be implemented if the other conditions are met, and you will be bound to Participate in the Schemes if you are on the Register as an Ardent Leisure Group Securityholder on the Record Date.

7 Description of Ardent Leisure Group

7.1 About Ardent Leisure Group's Business Model and Strategy

Ardent Leisure Group is one of Australia's most successful leisure and entertainment groups as the owners and operators of premium leisure assets including Dreamworld, WhiteWater World and SkyPoint theme parks and attractions, as well as the Main Event business, which is a growing portfolio of family entertainment centres located in the United States.

Ardent Leisure Group is listed on the ASX (ticker code AAD) and included in the S&P/the ASX 200 benchmark index. As at 1 October 2018, Ardent Leisure Group's Market Capitalisation was approximately \$844.2 million.

Ardent Leisure Group's business is divided into two business divisions:

- US Entertainment Centres; and
- Australian Theme Parks.

The US Entertainment Centres comprise the Main Event business which is a growing bowling-anchored indoor entertainment business with, as at the date of this Securityholder Booklet, 41 centres across 16 states.

The Australian Theme Parks comprise Dreamworld, WhiteWater World, SkyPoint observation deck and SkyPoint Climb, each of which are located on Australia's Gold Coast.

Ardent Leisure Group's businesses are in affordable, family-friendly, leisure and entertainment categories. The Ardent Leisure Group Directors believe that these businesses have the potential for significant value accretion over the medium term. As a group, Ardent Leisure Group has millions of customers annually and has developed extensive communication opportunities to interact and transact with these customers.

(a) Main Event

The Ardent Leisure Group Directors believe that shareholder value is best created through the successful execution of growth strategies at Main Event. Ardent Leisure Group's strategic priorities for the US Entertainment Centres include:

- developing five to eight new centres annually;
- optimising the offerings and guest experience in existing centres; and
- executing on a differentiated position in the competitive market that is supported through increased brand awareness.

(b) Australian Theme Parks

Strategic priorities for Australian Theme Parks and attractions include:

- promoting Dreamworld as a multi attraction leisure venue offering thrill rides, children's rides and interactive experiences, a water park, unique wildlife experiences and an indigenous heritage attraction;
- driving attendance back to historic levels through significant capital investment to develop new and unique rides and attractions and other infrastructure;

- prioritising continuous improvements in safety to restore customer confidence following the 2016 Dreamworld incident and implementing all recommendations of the Coroner in consultation with Workplace Health and Safety Queensland and the theme park industry;
- introducing various initiatives and attractions such as the launch of DreamWorks Trolls Village, the recently announced iRide, planning of water park expansion and investments in digital platforms to improve guest experience, drive visitation and increase average spending per person;
- an event pipeline to support recovery efforts and make progress towards becoming the preeminent Gold Coast entertainment precinct;
- embedding global best practice in all aspects of theme park operations including for the wellbeing of Dreamworld's staff, with a number of wellness and support programs being put in place; and
- exploring land use opportunities to maximise the commercialisation of the existing theme park and development options regarding excess land owned by Ardent Leisure Group adjacent to the Coomera town centre development.

7.2 Business of Ardent Leisure Group

Ardent Leisure Group's total revenues for the financial year ended 26 June 2018 for continuing operations were \$422.4 million across the Australian Theme Park and US Entertainment Centre divisions.

(a) Main Event

Main Event is largest big-box family entertainment centre brand in the U.S. and the home of Eat, Bowl, Play. It is a bowling-anchored concept that offers multiple entertainment options under one roof, as well as full menu and bar offerings.

- **Main Event beginnings:** The Company began in 1998, when the first Main Event Entertainment centre was opened in Lewisville, Texas.
- **Geographic presence:** As at the date of this Securityholder Booklet, Main Event operates 41 company-owned centres in 16 states (16 of the 41 centres are located in Texas).
- **Entertainment:** Centres offer a variety of entertainment, including bowling, arcade-style games, laser tag, billiards, gravity ropes, rock climbing, golf, etc.
- **Food and beverage:** Full-service dining option available with a full casual-dining style menu offerings as well as a fully-stocked bar. Custom catering exists for group events within the centres.

The Main Event division's revenue for the financial year ended 26 June 2018 was \$355.6 million. It contributed EBITDA of \$14.2 million to Ardent Leisure Group's full year financial results, which included \$52.2 million of specifically identified items.

The US Entertainment Centres have a broad consumer appeal by virtue of the variety of activities offered. Additionally, with a wide food and beverage offering, guests are able to have a full dining and entertainment experience within a Main Event centre. Revenue for Main Event is comprised primarily of food and beverage, video games, bowling, laser tag and other entertainment offerings in the centre. Along with walk-in traffic, Main Event sources a significant portion of its revenue from corporate, group and birthday party business. The average size of a Main Event family entertainment centre is over 50,000 square feet, and includes over 100 video games, 22 lanes of bowling, laser tag, other

entertainment offerings, and a full casual dining and fast casual dining option. Because of the unique, highly customizable and diverse experience across multiple venues with low product-cost offerings, Main Event generates some of the strongest centre-level revenue volumes and gross margins in the industry.

Some of Main Event's key business partners include entertainment suppliers (bowling, video games, etc.), technology and software companies, real estate development firms, and food and beverage suppliers and distributors.

(b) Australian Theme Parks

Dreamworld and WhiteWater World

Ardent Leisure Group owns and operates Australia's largest theme park destination, Dreamworld, and neighbouring WhiteWater World on the Gold Coast. Dreamworld is Australia's largest theme park, comprising 50 rides and attractions and wildlife within 10 different "worlds". Dreamworld has some of the tallest and fastest thrill rides in Australia, in addition to precincts dedicated to the DreamWorks experience, ABC KIDS World and a LEGO Certified Store. Australia's largest LEGO retail store is located at Dreamworld. Dreamworld is also home to Tiger Island, the world's largest interactive tiger facility and Dreamworld Corroboree, which is Dreamworld's interactive celebration of indigenous culture and native Australian wildlife.

Ardent Leisure Group owns the land on which Dreamworld and WhiteWater World are operated, and licences intellectual property from its key branding partners, including DreamWorks, LEGO, Australian Broadcasting Corporation and Mattel. All other intellectual property used by Ardent Leisure Group is owned by it.

WhiteWater World, located next to Dreamworld, has a variety of family and thrill based water rides using the latest environmentally friendly technology for sustainable water management. Park entry allows visitors to enjoy both WhiteWater World and Dreamworld, moving between the adjoining parks during their visit. Rides include the "Triple Vortex", "the Wedgie", "the little rippers" and "the Bro" which is a 14 metre tall, 8 lane racing slide. Family friendly water activities include the "Pipeline Plunge" and the "Temple of Huey". A specialist water area designed for children is also at WhiteWater World, named "Wiggle Bay". Guests can also rent cabanas located throughout the water park. Water used across all slides and pools is maintained at 26 degrees to allow for year round use. Revenue for the theme parks is derived from ticket sales, food and beverage sales, and retail and merchandise sales.

SkyPoint and SkyPoint Climb

SkyPoint and SkyPoint Climb are located at Surfers Paradise on the Gold Coast. SkyPoint is located in one of Australia's tallest buildings, the Q1 Building in Surfers Paradise, and has views of the coastline from Byron Bay in the south to Stradbroke Island in the north and out to the Gold Coast hinterland. Sky Point offers an observation deck located on level 77 of the Q1 building where visitors can also dine at the Seventy7 Café and Bar. Standing on a platform 270 metres above sea level, participants on the SkyPoint climb take one of Australia's fastest elevators to level 77 and then almost 300 stairs to the summit. SkyPoint also offers conferencing and events venues with a private function room, meeting facilities and outdoor terrace.

The Australian Theme Parks division's revenue for the financial year ended 26 June 2018 was \$66.8 million. It contributed an EBITDA loss of \$93.8 million to Ardent Leisure Group's full year financial results, which included \$86.3 million of specifically identified items.

(c) Regulatory requirements

Main Event's operations are conducted exclusively in the United States and are subject to federal, state and local laws in the ordinary course of its operations. Each US Entertainment Centre is subject to licensing and regulation by alcoholic beverage control, amusement, health, sanitation, safety, building code and fire agencies in the state, county and/or municipality in which the US Entertainment Centre is located. Each US Entertainment Centre is required to obtain a license to sell alcoholic beverages from a state authority and, in certain locations, county and municipal authorities. Alcoholic beverage control regulations relate to numerous aspects of the daily operations of each US Entertainment Centre, including minimum age of patrons and employees, hours of operation, advertising related to alcohol, wholesale purchasing, inventory control and handling and storage and dispensing of alcoholic beverages. Further, as a result of operating certain entertainment games and attractions, including skill-based games that offer redemption prizes, each US Entertainment Centre is subject to amusement licensing and regulation by the states, counties and municipalities in which the US Entertainment Centre is located.

The Australian Theme Parks and attractions are subject to Queensland work, health and safety laws and regulations, which govern the safety of the workplace and the design, registration and operation of various plant and equipment, including amusement rides and devices. The Australian Theme Parks participate in annual regulatory audits and interact with the workplace health and safety regulator on a frequent basis. Dreamworld is subject to planning controls, albeit that the permitted activities are extremely broad within the current 'major tourism' zoning. Various other planning controls relating to the environment apply to any new development on the excess land. As with other businesses operating in the ordinary course, working conditions of personnel are subject to state and federal industrial laws. Dreamworld and WhiteWater World must also comply with state based environmental laws and in the case of Dreamworld's Tiger Island and Corroboree attractions, state based animal handling laws and regulations.

(d) Financing arrangements

Following the sale of the Bowling and Entertainment division in April 2018, Ardent Leisure Group repaid almost all of its AUD and USD bank debt. Ardent Leisure Group has retained A\$66.6 million and US\$76.2 million syndicated facilities to fund capital expenditure requirements of the Australian and US businesses and Ardent Leisure Group's working capital requirements.

7.3 Risks associated with Ardent Leisure Group

The following key risks may have a negative impact on Ardent Leisure Group's business. These are risk factors that apply to an investment in Ardent Leisure Group generally (and are not linked to the Proposal and the Restructure). The risks may affect the future operating and financial performance of Ardent Leisure Group and/or the value at which NewCo Shares may trade in the future.

The risk factors described in this section are not listed in order of importance or likelihood and do not constitute an exhaustive list of all risk factors relating to an investment in Ardent Leisure Group or NewCo. There may be additional risks and uncertainties not currently known that may also have an adverse effect on Ardent Leisure Group's business or the value of NewCo Shares.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely beyond the control of Ardent Leisure Group, its directors and management. It is also important to note that there can be no guarantee that Ardent Leisure Group will achieve its stated objectives.

Whether or not the Resolutions are passed and the Proposal and Restructure are implemented will not affect the likelihood of any of these risks occurring or the impact on Ardent Leisure Group Securityholders should any of those risks occur.

For potential reasons as to why Securityholders may choose to vote against the Proposal, see section 6.4.

(a) Business related risks

Weather events

Ticket sales at outdoor theme parks such as Dreamworld, WhiteWater World and outdoor attractions such as SkyPoint are heavily dependent on weather conditions. Cyclones and heavy rainfall can deter visitors from attending theme parks or curtail their visits (however, light rainfall can encourage visitors to indoor attractions such as some of the US Entertainment Centres). WhiteWater World is a water park and is more sensitive to sustained periods of wet weather than theme parks generally. Poor attendance generates lower ticket revenue and lower sales of food, beverages and merchandise which will result in lower revenue and earnings for Ardent Leisure Group.

Macroeconomic conditions

Theme parks, attractions and bowling and entertainment centres are leisure based activities which rely on consumer discretionary spending. A downturn in business conditions, rising inflation, a decline in consumer confidence or an increase in interest rates in Australia or the United States could impact on the capacity of consumers to spend money on entertainment related activities including visiting theme parks, attractions or indoor entertainment venues, and affect the financial performance and prospects of Ardent Leisure Group.

Competition

Ardent Leisure Group operates in a competitive market and its financial performance could be adversely affected by competitors becoming more effective by, for example, discounting ticket prices, introducing new rides, games, attractions or superior food and beverage products if Ardent Leisure Group is unable to counter those actions by competing on the basis of price or product offering.

Reliance on tourism

Dreamworld, WhiteWater World and SkyPoint are visited by tourists to the Gold Coast and their success is dependent on the state of the domestic and international tourism markets. The strength of the Australian dollar and currency exchange rates can deter visitors from Australia and affect the spending patterns of tourists. Cyclones or other extreme weather events may also prevent domestic and international tourists from visiting the Gold Coast theme parks and attractions.

Dreamworld recovery

Regular adverse media coverage concerning the Dreamworld incident continues due to the ongoing Coronial Inquest and the government's announced changes to health and safety laws affecting theme parks. Such adverse publicity has reputational impact and may contribute to a slower recovery in Dreamworld attendance.

Development of new US Entertainment Centres

The success of the Main Event entertainment business is reliant upon securing sites that are in quality locations, with acceptable agreements to lease or purchase such locations

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and the ability to construct such centres on a cost-effective basis, as well as obtain liquor licenses and comply with all other applicable zoning and land use regulations. If Main Event is unable to secure sites in such locations with customers in the target demographics, it may affect the ability of the Main Event entertainment division to grow revenue or meet or exceed expected financial performance. New centres may be located in areas where Main Event has little or no meaningful brand awareness, which may cause those centres to be less successful than centres in existing markets. New centres opened in existing markets could reduce the revenue at our existing US Entertainment Centres in that market.

Key personnel

Ardent Leisure Group relies upon key personnel for the running of its businesses. The loss of key management or extended periods of absence may be disruptive to the efficient and optimal operation of Ardent Leisure Group. Key management personnel may possess skills and experience that are difficult to replace quickly or at all. If Ardent Leisure Group is not successful in attracting, training and retaining qualified managers and personnel, then this may adversely impact its financial performance, share price and ability to compete.

Impairment risks

Under accounting standards, Ardent Leisure Group is required to review the carrying value of its assets whenever there is an indication of impairment and at least annually for goodwill. If there is any indication of impairment, then the assets recoverable amount is estimated. Changes in assumptions underlying the recoverable amount of certain assets of Ardent Leisure Group as a result of deteriorating market conditions or increasing cost of capital could result in an impairment of such assets, which may have a material adverse effect on the financial performance of Ardent Leisure Group.

Increased work health and safety compliance

Following the fatality of four guests at Dreamworld in late 2016 and an unrelated multiple fatality incident in the Queensland construction industry in 2016, the Queensland government has made various amendments to work health and safety legislation and has announced its intention to implement further changes. The implementation of stricter work health and safety laws (particularly those that apply specifically to theme parks and amusement rides) may result in increasing compliance costs to the operation of the Australian Theme Parks division. Such changes will also apply to Ardent Leisure Group's main competitors.

Litigation and legal processes relating to the Dreamworld incident

As at the date of issue of this Securityholder Booklet, the Coronial Inquiry into the four fatalities at Dreamworld in 2016 is ongoing. The inquest is expected to conclude at the end of November 2018, following which there will be an extended period of time before the Coroner issues his recommendations. Those recommendations may include the development and introduction of new safety laws, which are flagged above. Implementation of such recommendations may involve additional cost for Ardent Leisure Group. Separately, Ardent Leisure Group may be subject to prosecution by Workplace Health and Safety Queensland, although no such prosecution has been instituted as at the date of this Securityholder Booklet. Ardent Leisure Group has received numerous civil claims from families and other affected persons and many of those claims have already been settled by Ardent Leisure Group's insurer in the normal course. Further claims may be made and will be dealt with in the same manner. Ardent Leisure Group expects to be the subject of further negative media attention as these legal processes continue to run their course with consequential impacts on attendance at Dreamworld.

Financial management

Ardent Leisure Group's principal financial instruments comprise cash, receivables, payables, interest bearing liabilities and derivative financial instruments and its activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. Ardent Leisure Group uses various measures to manage exposures to these types of risks. The main methods include foreign exchange and interest rate sensitivity analysis, ageing analysis and counterparty credit assessment and the use of future rolling cash flow forecasts. Derivative financial instruments such as forward foreign exchange contracts, interest rate swaps and cross currency swaps are also used to manage financial risk as permitted under Ardent Leisure Group's financial risk policy. Mismanagement of any of these financial risks may impact the performance and profitability of Ardent Leisure Group.

Taxation

Ardent Leisure Group is required to comply with the tax laws of the various jurisdictions in which it conducts business. Changes in government taxation policies and their interpretation and administration by the taxation authorities in any of those jurisdictions may impact the financial performance of Ardent Leisure Group. Such changes could, for instance, adversely impact the ability of Ardent Leisure Group to utilise any of its current balances of carry forward losses in the future or the flow through status of the Trust.

(b) Risks related to NewCo Shares

Price of shares may fluctuate

Following NewCo's listing on the ASX, it will become subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in its share price that are not explained by the fundamental operations and performance of Ardent Leisure Group. The price at which NewCo Shares are quoted on the ASX may increase or decrease due to a number of factors. There is no assurance that the price of the NewCo Shares will increase following quotation on the ASX, even if Ardent Leisure Group's earnings increase.

Securityholders may suffer dilution

In the future, Ardent Leisure Group may elect to issue shares (including pursuant to employee and management incentive arrangements) or engage in fundraisings including to fund acquisitions or growth initiatives that Ardent Leisure Group may pursue. While Ardent Leisure Group will be subject to the constraints of the Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Securityholders may be diluted as a result of such issues of shares and fundraisings.

Trading in shares may not be liquid

There can be no guarantee that an active market in NewCo Shares will develop, or that the price of NewCo Shares will increase. There may be relatively few potential buyers or sellers of NewCo Shares on the ASX at any time. This may increase the volatility of the market price of NewCo Shares. It may also affect the prevailing market price at which Ardent Leisure Group Securityholders are able to sell their NewCo Shares. This may result in Ardent Leisure Group Securityholders receiving a market price for their NewCo Shares that is less or more than the price that Ardent Leisure Group Securityholders paid for Ardent Leisure Group Stapled Securities.

It is not certain whether Foreign Securityholders will be permitted to participate in future rights offerings or other pro rata offers to Ardent Leisure Group Securityholders. Their ability to participate will be dependent on local laws and regulations.

8 Financial impact of the Proposal

8.1 Introduction

The financial information of Ardent Leisure Group contained in this section comprises the:

- historical consolidated balance sheet as at 26 June 2018 as set out in section 8.3;
- historical consolidated income statement for the financial year ended 26 June 2018 as set out in section 8.4; and
- historical consolidated statement of cash flows for the year ended 26 June 2018 as set out in section 8.5,

(together, the **Historical Financial Information**);

- pro forma historical consolidated balance sheet as at 26 June 2018 as set out in section 8.3;
- pro forma historical consolidated income statement for the financial year ended 26 June 2018 as set out in section 8.4; and
- pro forma historical consolidated statement of cash flows for the financial year ended 26 June 2018 as set out in section 8.5,

(together, the **Pro Forma Historical Financial Information**)

collectively, the Financial Information.

Information provided in this section should be read in conjunction with the basis of preparation outlined in section 8.2, the significant accounting policies outlined in section 8.6, information regarding debt facilities and cash in section 8.8 and the other information provided in this Securityholder Booklet.

8.2 Basis of preparation

The Financial Information is prepared for the purposes of this Securityholder Booklet.

The Ardent Leisure Group Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Financial Information has been reviewed by Ernst & Young Transaction Advisory Services Limited in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Independent Limited Assurance Report set out in Annexure B. Securityholders should note the scope and limitations of this report.

(a) Historical Financial Information

The Historical Financial Information has been derived from the consolidated financial statements of Ardent Leisure Group for the financial year ended 26 June 2018, which

were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion on these financial statements.

The financial report of Ardent Leisure Group comprises the consolidated financial statements of the Trust and its controlled entities, including ALL and its controlled entities.

The Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS.

The significant policies which were adopted in the preparation of the Historical Financial Information are consistent with the consolidated financial statements of Ardent Leisure Group for the year ended 26 June 2018 and are also disclosed in section 8.6.

The Australian Accounting Standards Board (AASB) has issued two new standards which will be effective for the financial years commencing 27 June 2018: AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers*. The AASB has also issued AASB 16 *Leases* which supersedes AASB 117 *Leases*, the existing standard on leases, which will be effective in the annual reporting period ending in June 2020. The expected impact on Ardent Leisure Group's Financial Information is set out in section 8.6.

The financial report of Ardent Leisure Group for the financial year ended 26 June 2018 has been lodged with ASIC and the ASX and is available on Ardent Leisure Group's website at www.ardentleisure.com. A copy will also be sent to Ardent Leisure Securityholders prior to despatch of this Securityholder Booklet.

Ardent Leisure Group currently discloses segment information for the Main Event and Theme Parks divisions which comprise the continuing operations. These business segments are not expected to be impacted by the Proposal.

(b) Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Ardent Leisure Group adjusted for the impact of the Proposal as if it was implemented from 1 July 2017 for the historical consolidated income statement and statement of cash flows or as at 26 June 2018 for the historical consolidated balance sheet.

The pro forma adjustments for each statement have been described in sections 8.3.1, 8.4.1 and 8.5.1.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS other than that it includes certain adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred on or before 26 June 2018.

The Pro Forma Historical Financial Information has been prepared on a consistent basis to the accounting policies set out in Ardent Leisure Group's financial statements for the year ended 26 June 2018 and are also disclosed in section 8.6.

The Pro Forma Historical Financial Information is not represented as being indicative of Ardent Leisure Group's views on its actual or prospective financial performance, financial position or cash flows. Investors should note that past performance is not a reliable indicator of future financial performance.

8.3 Historical and pro forma historical consolidated balance sheets

The following table presents Ardent Leisure Group's historical and pro forma historical consolidated balance sheets as at 26 June 2018.

	Historical Consolidated Group	Reorganisation adjustments Note (a)	Taxation adjustments Note (b)	Cost of proposal Note (c)	Pro forma Historical Consolidated Group
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	16,548	-	-	(3,000)	13,548
Receivables	12,032	-	-	-	12,032
Derivative financial instruments	748	-	-	-	748
Inventories	8,180	-	-	-	8,180
Construction in progress inventories	24,239	-	-	-	24,239
Other	9,625	-	-	-	9,625
Total current assets	71,372⁽¹⁾	-	-	(3,000)	68,372⁽¹⁾
Non-current assets					
Property, plant and equipment	455,668	-	-	-	455,668
Investments held at fair value	2,811	-	-	-	2,811
Livestock	236	-	-	-	236
Intangible assets	70,275	-	-	-	70,275
Deferred tax assets	20,766	-	(2,970)	713	18,509
Total non-current assets	549,756	-	(2,970)	713	547,499
Total assets	621,128	-	(2,970)	(2,287)	615,871
Current liabilities					
Payables	101,717	-	-	-	101,717
Construction in progress deposits	22,397	-	-	-	22,397
Current tax liabilities	318	-	-	-	318
Provisions	1,695	-	-	-	1,695
Other	3,264	-	-	-	3,264
Total current liabilities	129,391⁽¹⁾	-	-	-	129,391⁽¹⁾
Non-current liabilities					
Derivative financial instruments	28	-	-	-	28
Interest bearing liabilities	27,849	-	-	-	27,849
Provisions	2,651	-	-	-	2,651
Deferred tax liabilities	17,091	-	-	-	17,091
Total non-current liabilities	47,619	-	-	-	47,619
Total liabilities	177,010	-	-	-	177,010
Net assets	444,118	-	(2,970)	(2,287)	438,861
Equity					
Contributed equity	666,731	259,461	-	-	926,192
Other equity	(1,405)	-	-	-	(1,405)
Restructure Reserve	-	(259,461)	-	-	(259,461)
Other Reserves	(14,246)	-	-	-	(14,246)
Accumulated losses	(206,962)	-	(2,970)	(2,287)	(212,219)
Total equity	444,118	-	(2,970)	(2,287)	438,861

(1) Ardent Leisure Group's historical and pro forma historical current liabilities exceed current assets by \$58.0 million and \$61.0 million, respectively. Refer to section 8.10 for further discussion of the net current assets deficiency.

8.3.1 Adjustments to the pro forma historical consolidated balance sheet

(a) Reorganisation adjustments

Under the existing stapled structure, the equity of the Trust and ALL is presented as the equity of the combined Ardent Leisure Group. Under the Proposal, the Trust and ALL will

become direct subsidiaries of the new parent entity, NewCo. Under AAS, NewCo's investments in the Trust and ALL will be required to be initially measured at fair value on the date of acquisition. Subsequent to initial recognition, these investments will be measured at cost in the separate financial statements of NewCo and subject to annual impairment review.

As NewCo will acquire its investments in ALL and the Trust through the issuance of its own shares, the contributed equity of NewCo will also initially be measured at fair value, as determined with reference to the Market Capitalisation of Ardent Leisure Group immediately prior to the implementation of the Proposal. For the purposes of presenting the pro forma historical consolidated balance sheet, the Market Capitalisation on 26 June 2018 has been used to determine the contributed equity of NewCo.

The contributed equity of Ardent Leisure Group under the Proposal will be equal to the contributed equity of the new parent entity, NewCo. The difference between the contributed equity of NewCo and the historical contributed equity of Ardent Leisure Group will be recognised as a restructure reserve. To the extent that the Market Capitalisation increases or decreases from the level assumed in the pro forma historical consolidated balance sheet, this would result in a corresponding increase or decrease to the contributed equity of NewCo and the restructuring reserve at the Implementation Date.

(b) Taxation adjustments

Taxation of Trust Income

Under the current stapled structure, the Trust is a managed investment trust (**MIT**) which derives its earnings from passive income, predominantly rent and interest. Under these arrangements, the trustee of the Trust is not liable for the payment of income tax provided that its net income, as determined under the Trust Constitution, is fully distributed to its unit holders. As the Trust is treated as a 'flow through' entity for taxation purposes, with its net taxable income being taxed in the hands of its unit holders, it does not recognise any taxation balances in its financial statements.

Following implementation of the Proposal, the Trust will become a member of a tax consolidated group and, as such its net income will be included in the taxable income of that tax consolidated group. Ardent Leisure Group will be required to recognise current and deferred tax balances in its balance sheet and an associated tax expense/benefit in its income statement to recognise the Trust's impact on the taxable income of the tax consolidated group.

Tax base adjustments

For Australian tax purposes, following implementation of the Proposal, Ardent Leisure Group will have a tax consolidated group comprising NewCo, ALL, the Trust and their wholly owned Australian subsidiaries. The application of the tax consolidation provisions requires the tax bases of the Trust assets to be reset when the Trust joins the NewCo tax consolidated group. For accounting purposes, a deferred tax asset adjustment relating to changes in the tax cost base of tax depreciable (Division 40) assets is required to be recognised. However, for Australian income tax purposes, the tax base adjustments to all relevant Trust assets result in no material overall increase or decrease in the tax base.

This outcome has been determined on the basis of the following key assumptions:

- this calculation was prepared on the assumption that the Proposal was implemented on 26 June 2018. The actual change in the tax cost base of the assets of the Trust will be calculated when the Proposal is implemented (i.e. on the Implementation Date). Any changes in the carrying value of the Trust's assets and liabilities in that intervening period could have a material impact on that calculation;

- this calculation is based on Australian tax laws as they stand, and interpreted and administered by the ATO, as at 26 June 2018. Australian tax laws are constantly changing, and future amendments (having an application on or before the Implementation Date) could impact (positively or negatively) that calculation; and
- this calculation relies on the relative market value (as at 26 June 2018) of a range of assets held by the Trust. The actual market values on the Implementation Date could result in a materially different change in the tax cost base of the relevant assets of the Trust.

For completeness, we note that the tax cost base of the ALL assets will not be reset as a result of the capital gains tax rollover that is automatically applied when the ALL Shares are exchanged for NewCo Shares.

(c) Cost of Proposal

Stamp duty payable (as described in section 11.15) and fees relating to professional advisors and the Independent Expert incurred as a result of the Proposal are estimated to be approximately \$3.0 million (pre-tax) and have been reflected above as an adjustment to cash and cash equivalents.

As Ardent Leisure Group has carry forward income tax losses, tax deductions associated with the cost of this proposal are expected to increase the deferred tax asset which Ardent Leisure Group has recognised in respect of these income tax losses by approximately \$0.7 million.

8.3.2 Items not reflected in the pro forma historical consolidated balance sheet

The pro forma historical consolidated balance sheet has not been adjusted to reflect operating cost savings expected to arise as a result of the Proposal (as described in section 8.4.1) as any expected savings are likely to occur over the course of the financial year.

As disclosed in the financial report for the year ended 26 June 2018, Ardent Leisure Group has \$9.2 million of Australian carried forward capital losses for which no deferred tax asset has been recognised in the historical balance sheet and pro forma historical balance sheet. Subject to meeting certain pre-conditions, these losses should be available for offset against future taxable capital gains.

Upon implementation of the Proposal further capital losses (of approximately \$17.0 million) in respect of the internalisation of the management rights of the Trust may need to be recognised for Australian tax purposes. For accounting purposes, most of these costs (previously recognised as goodwill) have been either written off or sold in prior periods.

8.4 Historical and pro forma historical consolidated income statements

The following table presents Ardent Leisure Group's historical and pro forma historical consolidated income statements for the financial year ended 26 June 2018.

Historical Consolidated Group	Taxation adjustments Note (a)	Operating cost savings Note (b)	Pro forma Historical Consolidated Group
\$'000	\$'000	\$'000	\$'000

	Historical Consolidated Group	Taxation adjustments Note (a)	Operating cost savings Note (b)	Pro forma Historical Consolidated Group
	\$'000	\$'000	\$'000	\$'000
Income				
Revenue from operating activities	422,393	-	-	422,393
Net gain from derivative financial instruments	881	-	-	881
Interest income	191	-	-	191
Other income	13,501	-	-	13,501
Total income	436,966	-	-	436,966
Expenses				
Purchases of finished goods	60,253	-	-	60,253
Salary and employee benefits	176,824	-	-	176,824
Borrowing costs	10,339	-	-	10,339
Property expenses	49,465	-	-	49,465
Depreciation & amortisation	43,033	-	-	43,033
Loss on disposal of assets	507	-	-	507
Loss on sale and leaseback of Main Event Centre	706	-	-	706
Advertising and promotions	20,004	-	-	20,004
Repairs and maintenance	25,661	-	-	25,661
Pre-opening expenses	5,900	-	-	5,900
Impairment of goodwill	3,583	-	-	3,583
Impairment of intangible assets	1,188	-	-	1,188
Impairment of property, plant & equipment	39,287	-	-	39,287
Valuation loss - property, plant and equipment	75,031	-	-	75,031
Valuation loss - investments held at fair value	390	-	-	390
Dreamworld incident costs	10,435	-	-	10,435
Loss on disposal of damaged assets	9,224	-	-	9,224
Other expenses	53,472	-	(306)	53,166
Total expenses	585,302	-	(306)	584,996
Loss before tax benefit	(148,336)	-	306	(148,030)
Income tax benefit	29,522	13,291	(92)	42,721
Loss from continuing operations	(118,814)	13,291	214	(105,309)
Profit from discontinued operations (net of tax)	28,124	15,155	-	43,279
Loss for the year	(90,690)	28,446	214	(62,030)

8.4.1 Adjustments to the pro forma historical consolidated income statement

(a) Taxation of Trust income

As noted in section 8.3.1(b), the Trust will become a member of a tax consolidated group and, as such, its net taxable income will be included in the taxable income of that tax consolidated group. As such, Ardent Leisure Group will be required to recognise a tax expense/benefit associated with the net income derived by the Trust in its income statement after implementation of the Proposal. The income tax benefit adjustment to discontinued operations predominantly reflects the recognition of previously unbooked capital losses and the movement in deferred tax balances during the period.

(b) Operating cost changes

The simplification of the Ardent Leisure Group structure resulting from the Proposal is expected to result in a reduction in recurring external costs associated with financial reporting, custodian arrangements, regulatory and compliance of approximately \$0.3 million on a pre-tax basis (\$0.2 million post tax) per annum.

8.4.2 Items not reflected in the pro forma historical consolidated income statement

The pro forma historical consolidated income statement has not been adjusted for the following one-off or non-recurring items:

- reorganisation adjustments arising from the Restructure (as described in section 8.3.1(a));
- initial recognition of current and deferred tax balances associated with the Trust becoming a member of a tax consolidated group. The tax adjustment to the pro forma historical consolidated income statement represents the tax expense/benefit associated with the net income derived by the Trust during the year ended 26 June 2018 only; and
- estimated costs of the Proposal of approximately \$3.0 million (as described in section 8.3.1(c)).

8.5 Historical and pro forma historical consolidated statements of cash flows

The following table sets out Ardent Leisure Group's historical and pro forma historical consolidated statements of cash flows for the financial year ended 26 June 2018.

	Historical Consolidated Group	Operating cost savings Note (a)	Pro forma Historical Consolidated Group
	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers	589,706	-	589,706
Payments to suppliers and employees	(463,235)	306	(462,929)
Property expenses paid	(75,241)	-	(75,241)
Payments for construction in progress inventories	(11,352)	-	(11,352)
Interest received	191	-	191

	Historical Consolidated Group	Operating cost savings Note (a)	Pro forma Historical Consolidated Group
	\$'000	\$'000	\$'000
Deposits received for construction in progress	16,251	-	16,251
US withholding tax paid	(344)	-	(344)
Insurance recoveries	2,107	-	2,107
Income tax (paid)/received	(1,001)	-	(1,001)
Net cash flows from operating activities	57,082	306	57,388
Cash flows from investing activities			
Payments for property, plant and equipment and other intangible assets	(122,321)	-	(122,321)
Proceeds from sale of plant and equipment	429	-	429
Proceeds from sale of land and buildings	12,583	-	12,583
Proceeds from the sale of Bowling & Entertainment, net of cash disposed	152,325	-	152,325
Proceeds from the sale of Marinas, net of cash disposed	123,080	-	123,080
Insurance recoveries relating to damaged assets	9,171	-	9,171
Net cash flows from investing activities	175,267	-	175,267
Cash flows from financing activities			
Proceeds from borrowings	941,246	-	941,246
Repayments of borrowings	(1,146,209)	-	(1,146,209)
Borrowing costs	(10,376)	-	(10,376)
Costs of issue of stapled securities	(19)	-	(19)
Distributions received from treasury shares	21	-	21
Distributions paid to stapled securityholders	(11,101)	-	(11,101)
Net cash flows used in financing activities	(226,438)	-	(226,438)
Net increase in cash and cash equivalents	5,911	306	6,217
Cash and cash equivalents at the beginning of the year	10,846	-	10,846
Effect of exchange rate changes on cash and cash equivalents	(209)	-	(209)
Cash and cash equivalents at the end of the year	16,548	306	16,854

8.5.1 Adjustments to the pro forma historical consolidated statement of cash flows

The simplification of the Ardent Leisure Group structure resulting from the Proposal is expected to result in a reduction in recurring external costs associated with financial reporting, custodian arrangements, regulatory and compliance of approximately \$0.3 million (pre-tax) per annum.

Impact on Cash Tax Payable

If the Proposal had been implemented on 26 June 2018, the income tax payable by the tax consolidated group would be adjusted as follows:

- the fall in the tax cost base of the Trust's tax depreciable (Division 40) assets would result in a reduced annual tax depreciation charge. However, while the Ardent Leisure Group continues to have carry forward income tax losses, this reduction in tax depreciation claims should have no cash impact. As such, no tax adjustment has been made for this item in preparing the pro-forma historical balance sheet as at 26 June 2018;
- the ability of the tax consolidated group to utilise its current period tax loss would change. The amount of income tax payable by the tax consolidated group would be based on the net taxable profit of the tax consolidated group, rather than separately for ALL and the Trust. This means that the tax loss made by ALL during the year ended 26 June 2018 could be immediately offset against the taxable profits generated by the Trust during that same year. This would reduce the carry forward income tax losses of the tax consolidated group as at 26 June 2018 from \$59.0 million to \$27.1 million.

As such, there should be no impact on the tax payments made by the Ardent Leisure Group during the income year ended 26 June 2018 if the Proposal had been implemented by that date.

8.5.2 Items not reflected in the pro forma historical consolidated statement of cash flows

The pro forma historical consolidated statement of cash flows has not been adjusted for the following one-off or non-recurring items:

- reorganisation adjustments arising from the Restructure (as described in section 8.3.1(a));
- initial recognition of current and deferred tax balances associated with the Trust becoming a member of a tax consolidated group. Due to the tax losses available to Ardent Leisure Group, there is no impact on cash flows arising from the Trust becoming a member of a tax consolidated group; and
- estimated costs of the Proposal of approximately \$3.0 million (as described in section 8.3.1(c)).

8.6 Summary of significant accounting policies

The significant accounting policies used to prepare the Financial Information are consistent with those disclosed in Ardent Leisure Group's financial statements for the year ended 26 June 2018.

The preparation of the Financial Information requires estimates, judgments and assumptions that affect the reported amounts. Actual results may differ from these estimates under different assumptions or conditions. Revisions to estimates are recognised in the period in which the estimate is revised and in any future period affected.

The significant accounting policies below apply estimates, judgments and assumptions which could materially affect the financial performance and/or financial position reported in future periods.

(a) Principles of consolidation

The consolidated financial information of Ardent Leisure Group combines the financial information for the Trust and ALL for the year. Transactions between the entities have been eliminated in the consolidated financial information.

Subsidiaries are all entities over which the Ardent Leisure Group has control. The Ardent Leisure Group controls an entity when the Ardent Leisure Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Ardent Leisure Group. They are deconsolidated from the date that control ceases.

The Ardent Leisure Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Ardent Leisure Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Ardent Leisure Group.

When Ardent Leisure Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if Ardent Leisure Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate or a jointly controlled entity is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Ardent Leisure Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the group. Disposals to non-controlling interests result in gains and losses for Ardent Leisure Group that are recorded in the income statement. Purchases from non-controlling interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Inter-entity transactions, balances and unrealised gains on transactions between Ardent Leisure Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by Ardent Leisure Group.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

(b) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Ardent Leisure Group recognises revenue when the amount of revenue can be reliably measured, it is probable that further economic benefits will flow to the entity and specific criteria have been met for each of Ardent Leisure Group's activities as described below. Revenue is recognised for the major business activities as follows:

Rendering of services

Revenue from rendering of services including theme park and SkyPoint entry and bowling games is recognised when the outcome can be reliably measured and the service has taken place. Revenue relating to theme park annual passes is recognised as the passes are used.

Sale of goods

Revenue from sale of goods including merchandise and food and beverage items is recognised when the risks and rewards of ownership have passed to the buyer.

Rental revenue

Rental income represents income earned from the sub-lease of investment properties leased by the Group, and is brought to account on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method. When a receivable is impaired, Ardent Leisure Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) Income tax

Under current Australian income tax legislation, the Trust is not liable to pay income tax provided its income, as determined under the Trust Constitution, is fully distributed to unit holders, by way of cash or reinvestment. The liability for capital gains tax that may otherwise arise if the Australian properties were sold is not accounted for in the Financial Information, as the Trust expects to distribute such amounts to its unit holders.

Following implementation of the Proposal, the Trust will become a member of a tax consolidated group. Refer to section 8.3 for further information on the impact of the Proposal.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where ALL's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which

applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where ALL is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Companies within Ardent Leisure Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). Ardent Leisure Group accounts for such investment allowances as tax credits. This means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(d) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Impact of new and amended accounting standards

AASB 9 Financial Instruments

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and will affect Ardent Leisure Group's accounting for its financial assets. The standard is effective for Ardent Leisure Group for the financial year beginning 27 June 2018. No material impact is expected on Ardent Leisure Group's financial information in the next reporting period.

AASB 15 Revenue from Contracts with Customers

The AASB has issued a new standard for the recognition of revenue, AASB 15 Revenue from Contracts with Customers (**AASB 15**), which replaces AASB 118 Revenue, AASB 111 Construction Contracts and a number of revenue-related interpretations.

AASB 15 establishes a new revenue recognition model, changes the basis for deciding whether revenue is to be recognised over time or at a point in time, provides new and more detailed guidance on specific topics, and expands and improves disclosures about revenue.

The core principle of AASB 15 is that revenue must be recognised when goods or services are transferred to the customer, at the transaction price. A five-step model has been established in the standard which allows for each of Ardent Leisure Group's revenue streams to be recognised in line with this core principle.

AASB 15 is effective for Ardent Leisure Group for the financial year beginning 27 June 2018.

Restatement approach

Ardent Leisure Group is using the modified retrospective approach (cumulative effect method) from 27 June 2018. Therefore, the cumulative effect of initially applying AASB 15 will be recorded as an adjustment to the opening balance of retained earnings at 27 June 2018. No restatement of comparative period balances is required under this approach.

Impact on Australian Theme Parks

The most significant impact of AASB 15 on the Australian Theme Parks division is on the revenue recognised relating to entry to the park under multi-day passes. Currently, revenue for all passes is recognised as passes are used.

Under AASB 15, revenue for all passes is required to be recognised on a straight-line basis over the period that the pass allows access to the park. Some of the passes offered allow access to the park for a fixed period of time after the initial visit, in which case payments made upfront shall be treated as deferred income until the initial visit and revenue recognised over a straight-line basis over the remaining fixed period following the initial visit.

Other passes are for specific time periods only, such as the seasonal passes which provides access to the park from the time of purchase to a specific expiry date, generally December or June. For these passes revenue shall be recognised on a straight-line basis over the period that the pass relates to regardless of the timing of the customers initial visit, with any payment received upfront being treated as deferred income until the first day that the seasonal pass allows access to the park.

Therefore, for all multi-day passes, revenue will be deferred under the new standard and recognised on a straight-line basis over the period of the pass rather than full recognition on initial entry to the park as is the current policy.

The deferred income balance at 26 June 2018 was \$6.6 million, with revenue already being fully recognised for open passes that still allow customers entry to the theme park. The amount of revenue relating to these open passes that would have been deferred at 26 June 2018 under the new standard is \$1.4 million, resulting in a required opening total deferred income balance of \$8.0 million under AASB 15. Therefore, under the modified retrospective approach, a reduction of \$1.4 million will be made as an adjustment to the opening retained earnings with a corresponding increase in deferred income at 27 June 2018, with this revenue to be recognised on a straight-line basis over the remaining period for which customers have access to the theme park.

Impact on Main Event

For Main Event, the impact of AASB 15 is expected to have a minimal impact on the timing of revenue recognition due to the majority of products/services being provided on the same day.

AASB 16 Leases

The AASB has issued a new standard for leases which applies to accounting periods commencing on or after 1 January 2019. Given the number of properties Ardent Leisure Group leases under operating leases, it is expected that the impact of this standard will be significant. Specifically, new assets will be realised (the right to use the leased asset) as well as new liabilities, being the liability to pay rentals. The consolidated income statement will also be affected. Ardent Leisure Group will conduct a detailed assessment of the new standard and will assess whether to adopt AASB 16 before its operative date; if not, it would be first applied in the annual reporting period ending 30 June 2020.

8.7 Impact on distributions

Historically, a proportion of distributions to Ardent Leisure Group Securityholders has comprised a return of capital from the Trust. These amounts may not have been immediately subject to tax in the hands of Ardent Leisure Group Securityholders, but did reduce the cost base of the Ardent Leisure Group Stapled Securities for capital gains tax purposes, resulting in taxation on a deferred basis upon ultimate disposal of Ardent Leisure Group Stapled Securities for those Ardent Leisure Group Securityholders who are subject to Australian capital gains tax.

As noted in section 6.4, if the Proposal is implemented and the listing of NewCo is successful, future periodic distributions are expected to be entirely paid as dividends by NewCo, in contrast to historical distributions, which have been predominantly income and capital distributions from the Trust.

The payment of any future dividends by NewCo is at the discretion of the NewCo Directors. Any future dividend payments will be dependent on the financial position and capital requirements of NewCo, amongst other criteria, and will be based on the discretion of the NewCo Directors.

Securityholders should note that the level of franking of any dividends that the NewCo Directors determine to be paid after implementation of the Proposal will depend on the availability of franking credits and if the NewCo Directors agree to pay franked dividends. The availability of franking credits is dependent on business performance and other factors including taxes paid by Ardent Leisure Group. Ardent Leisure Group currently has tax losses which will reduce the amount of income tax paid by it over the next few years.

As a result, NewCo does not expect any future dividends that the NewCo Directors determine to be paid to be franked during that period.

8.8 Debt facilities and cash

On implementation of the Proposal, Ardent Leisure Group's principal sources of funds will continue to be cash flows from operations and unutilised debt facilities.

Ardent Leisure Group has access to A\$66.7 million of syndicated facilities and US\$76.2m of syndicated facilities. All of the facilities have a variable interest rate.

Key terms of the Ardent Leisure Group's debt facilities as at 26 June 2018 are summarised in its financial report for the year ended 26 June 2018.

8.9 Commitments and contingent liabilities

(a) Commitments

Ardent Leisure Group has entered into contracts for capital expenditure as at 26 June 2018 which are not recognised as liabilities. Total commitments for capital expenditure as at 26 June 2018 amounted to \$6.5 million.

Additionally, Ardent Leisure Group has commitments associated with non-cancellable operating leases which primarily relate to property leases. Commitments for minimum lease payments in relation to non-cancellable operating leases as at 26 June 2018 amounted to \$508.3 million. As noted above, it is expected that the impact of AASB 16: *Leases* will be significant. Specifically, new assets will be realised (the right to use the leased asset) as well as new liabilities, being the liability to pay rentals. Ardent Leisure Group will conduct a detailed assessment of the new standard but this has not been considered for the Financial Information presented in this Securityholder Booklet.

(b) Contingent liabilities

On 25 October 2016, an incident occurred on the Thunder River Rapids ride at Dreamworld resulting in four fatalities. The incident was investigated throughout 2017 and the first tranche of hearings in the Coronial Inquest took place in June 2018. The second and third tranches of the coronial inquest have been set down for two weeks in each of October 2018 and November 2018, respectively.

As both the operator of Dreamworld and the PCBU (Person Conducting a Business or Undertaking) for the purpose of workplace health and safety legislation, ALL expects that it may be subjected to prosecution action, however formal proceedings have not been instigated as at the date of this Securityholder Booklet. A number of civil claims by families and other affected persons have been made and are being dealt with by Ardent Leisure Group's liability insurer.

Until such time as proceedings are commenced, it is too premature to provide any meaningful or reliable indication of the likelihood or quantum of potential pecuniary penalties. Ardent Leisure Group maintains appropriate insurances to respond to litigation and regulatory action and a proportion of the associated costs.

NewCo has irrevocably agreed, with effect from implementation of the Proposal, to guarantee the liabilities of ALL that may arise in respect of the Dreamworld incident and so the Restructure will not impact ALL's capacity to meet any such liabilities.

8.10 Net current assets deficiency

At 26 June 2018, Ardent Leisure Group had a deficiency in historical and pro forma historical consolidated net current assets of \$58.0 million and \$61.0 million, respectively. Current liabilities include deferred income and lease related liabilities of \$45.6 million which are not expected to be settled in cash. Ardent Leisure Group has \$141.6 million of unused facilities in its bank loans, which are due to expire on 10 August 2019, which can be utilised to fund any deficiency in its net current assets. Refer to section 8.8 for further detail of debt facilities.

The Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal trading operations. Ardent Leisure Group is, and is expected to continue, generating positive operating cash flows and successfully refinancing any maturing debt.

8.11 Events subsequent to 26 June 2018

Since the end of the 26 June 2018 financial period, no significant events have occurred.

9 Australian Tax Letter



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The Board of Directors
Ardent Leisure Management Limited,
as responsible entity for Ardent Leisure Trust

10 October 2018

The Board of Directors
Ardent Leisure Limited
Level 8, 60 Miller Street
North Sydney, NSW 2060

ARDENT LEISURE PROPOSED RESTRUCTURE AUSTRALIAN TAX LETTER

Dear Sirs,

We have been requested to comment on the Australian income tax considerations for Ardent Leisure Group securityholders in relation to the Proposal outlined in the Securityholder Booklet. The Australian Tax Letter outlined in Appendix A has been prepared for inclusion in the Securityholder Booklet and abbreviations and defined terms used in the Australian Tax Letter have the same meaning as they do in the Securityholder Booklet. All legislative references in the Australian Tax Letter are to the *Income Tax Assessment Act 1997 (Cth)*.

The Australian Tax Letter applies to securityholders who hold their Ardent Leisure Group Stapled Securities on capital account. The Australian Tax Letter does not consider the tax consequences for securityholders who hold their Ardent Leisure Group Stapled Securities on revenue account or as trading stock, or who are exempt from Australian income tax, or who are subject to the Taxation of Financial Arrangements rules in Division 230 in relation to the gains and losses on their Ardent Leisure Group Stapled Securities.

The Australian Tax Letter does not consider any taxation implications that might arise in jurisdictions other than Australia. Such securityholders should seek their own advice on the consequences of the Proposal under any relevant foreign tax laws.

The Australian Tax Letter is general in nature and is not intended to be an authoritative or complete statement of the relevant law or taxation consequences that arise for any particular securityholder. The Australian Tax Letter is not intended to consider the specific objectives, situation or needs of each securityholder, which can affect the tax consequences of the Proposal. Securityholders should not rely on the Australian Tax Letter and should seek appropriate independent professional advice that considers the taxation implications in respect of their own particular circumstances.

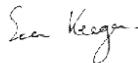
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ACN 004 860 860

The Australian Tax Letter is based solely on:

- a) the representations, information, documents and facts that we have included or referred to in the Australian Tax Letter;
- b) an assumption that all of the representations, information and facts set out in the Securityholder Booklet are accurate and not misleading;
- c) an assumption that there will be timely execution, delivery and performance in relation to the Proposal (and subsequent internal restructure) in the manner set out in the Securityholder Booklet;
- d) the law, regulations, cases, rulings and other tax authorities in effect as of the date of the Australian Tax Letter. If there are any significant changes in or to these tax authorities (for which we shall have no responsibility to advise you), such changes may result in our Australian Tax Letter being rendered incorrect or necessitate (on your request) a reconsideration of the Australian Tax Letter. Except where expressly mentioned, we have not considered proposed reforms or legislation that have not been enacted; and
- e) your understanding that the Australian Tax Letter is not binding on the Australian Taxation Office ("ATO") or the courts and should not be considered a representation, warranty or guarantee that the ATO or the courts will concur with our conclusions.

The representatives of Ernst & Young involved in preparing the Australian Tax Letter are not licenced to provide financial product advice as defined by the Corporations Act. A securityholder may consider seeking advice from an Australian financial services license holder before making any decision in relation to a financial product. The securityholder should also note that taxation is only one of the matters that they need to consider when making a decision on a financial product.

Yours faithfully



Sean Keegan
Tax Partner
Ernst & Young

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APPENDIX A AUSTRALIAN TAX LETTER

This Australian Tax Letter applies to securityholders who hold their Ardent Leisure Group Stapled Securities on capital account. This Australian Tax Letter does not consider the tax consequences for securityholders who hold their Ardent Leisure Group Stapled Securities on revenue account or as trading stock, or who are exempt from Australian income tax, or who are subject to the Taxation of Financial Arrangements rules in Division 230 in relation to the gains and losses on their Ardent Leisure Group Stapled Securities.

This Australian Tax Letter does not consider any taxation implications that might arise in jurisdictions other than Australia. Such securityholders should seek their own advice on the consequences of the Proposal under any relevant foreign tax laws.

This Australian Tax Letter is general in nature and is not intended to be an authoritative or complete statement of the relevant law or taxation consequences that arise for any particular securityholder. This Australian Tax Letter is not intended to consider the specific objectives, situation or needs of each securityholder, which can affect the tax consequences of the Proposal. Securityholders should not rely on this summary and should seek appropriate independent professional advice that considers the taxation implications in respect of their own particular circumstances.

All legislative references in this Australian Tax Letter are to the *Income Tax Assessment Act 1997 (Cth)* ("ITAA 1997").

1. Class Ruling Request

Ardent Leisure Group has applied for a class ruling from the ATO on behalf of Australian tax resident securityholders regarding the income tax treatment of the Proposal. The class ruling will apply to securityholders that hold Ardent Leisure Group Stapled Securities on capital account for tax purposes only.

No assurance can be given to securityholders that a favourable final class ruling will be received. It is expected that the final class ruling will be issued after the Implementation Date if the Proposal proceeds.

Ardent Leisure Group will make an ASX announcement when the class ruling is published. A link to the class ruling will be provided on the Ardent Leisure Group website: www.ardentleisure.com/investor-centre

2. Taxation treatment for Eligible Securityholders

2.1 Destapling of Ardent Leisure Group Stapled Securities

In order to implement the Proposal, the Ardent Leisure Group Stapled Securities will be destapled. Following the destapling, each Ardent Leisure Group Stapled Security will be broken into the following:

- 1 ALL Share; and
- 1 Trust Unit.

No change in ownership of the Ardent Leisure Group or the Ardent Leisure Group Stapled Securities will occur as a result of the destapling. As such, the destapling should not result in any Australian capital gains tax consequences for securityholders.

2.2 Exchange of ALL Shares for NewCo Shares

As part of the Proposal, securityholders will first transfer their ALL Shares to NewCo and in exchange NewCo will issue 1 NewCo Share for each ALL Share transferred.

2.2.1 Australian tax resident securityholders

Ordinarily, the disposal of shares by Australian tax resident securityholders who hold their securities on capital account would result in a capital gain or loss being realised.

Under the Proposal, any such capital gain or loss made by securityholders on disposal of their ALL Shares for NewCo Shares should be automatically disregarded, with no election required. This is because rollover relief under Division 615 of the ITAA 1997 should automatically apply to defer recognition of any taxable gains or losses until a subsequent disposal of the NewCo Shares.

Following the Proposal, the first element of the cost base (or reduced cost base, if applicable) for the NewCo Shares received by a securityholder under the Proposal should be equal to the cost base (or reduced cost base) of the ALL Shares disposed of.

For the purposes of determining whether the CGT discount is available on a subsequent disposal of the NewCo Shares, relevant securityholders (refer section 2.6 below) should be taken to have acquired their NewCo Shares at the time their ALL Shares were originally acquired (as part of the acquisition of Ardent Leisure Group Stapled Securities).

2.2.2 Eligible non-tax resident securityholders

Under the Proposal, any capital gain or loss made by eligible securityholders, who are not Australian tax residents, on disposal of their ALL Shares for NewCo Shares should be automatically disregarded, on the basis that the ALL Shares are not "taxable Australian property". No election needs to be made by the non-tax resident securityholders.

The first element of the cost base (or reduced cost base, if applicable) for the NewCo Shares received by a non-tax resident securityholder under the Proposal should be equal to the market value of the NewCo Shares at the time of the Proposal.

The position for Ineligible Foreign securityholders is outlined at section 3.

2.3 Exchange of Trust Units for NewCo Shares

As part of the Proposal, securityholders will transfer their Trust Units to NewCo and in exchange NewCo will issue 1 NewCo Share for each Trust Unit transferred.

2.3.1 Australian tax resident securityholders

Ordinarily, the disposal of units by Australian tax resident securityholders who hold their units on capital account would result in a capital gain or loss being realised.

Under the Proposal, any such capital gain or loss made by securityholders on disposal of their Trust Units for NewCo Shares may be disregarded at the election of the securityholder. This is because rollover relief under Division 615 should be available to defer recognition of any taxable gains or losses until a subsequent disposal of the NewCo Shares. For rollover to apply, a securityholder must make that choice.

Securityholders who wish to choose to obtain rollover relief do not need to lodge any written election – generally the choice is demonstrated by not including a capital gain or loss in respect of the exchange in their tax return.

The first element of cost base (or reduced cost base, if applicable) for the NewCo Shares received by a securityholder under the Proposal who chooses to apply rollover should be equal to the cost base (or reduced cost base) of the Trust Units disposed of. The cost base (or reduced cost base) for the Trust Units will reflect the impact of any previous tax deferred returns or capital received by the securityholder in relation to their Trust Units. For the purposes of determining whether the CGT discount is available on a subsequent disposal of the NewCo Shares, relevant securityholders (refer section 2.6 below) should be taken to have acquired their NewCo Shares at the time that their Trust Units were originally acquired (as part of the acquisition of Ardent Leisure Group Stapled Securities).

The first element of cost base (or reduced cost base, if applicable) for the NewCo Shares received by a securityholder under the Proposal who does not choose to apply rollover should be equal to the market value of NewCo Shares at the time of the Proposal.

2.3.2 Eligible non-tax resident securityholders

Under the Proposal, any capital gain or loss made by eligible securityholders, who are not Australian tax residents, on disposal of their Trust Units for NewCo Shares should be automatically disregarded, on the basis that the Trust Units are not “taxable Australian property”. No election needs to be made by the non-tax resident securityholders.

The first element of the cost base (or reduced cost base, if applicable) for the NewCo Shares received by a non-tax resident securityholder under the Proposal should be equal to the market value of the NewCo Shares at the time of the Proposal.

The position for Ineligible Foreign securityholders is outlined in section 3.

2.4 Consolidation of NewCo Shares received by securityholders

As part of the Proposal, NewCo will undertake a share consolidation such that the 2 NewCo Shares received under the steps described above will be consolidated into 1 NewCo Share. Following the Share Consolidation, each securityholder will hold 1 NewCo Share for each Ardent Leisure Group Stapled Security held by them prior to the Proposal. The Share Consolidation should not result in any Australian capital gains tax consequences arising for securityholders.

Following the Share Consolidation, the cost base (or reduced cost base, if applicable) for each consolidated NewCo Share should be equal to the sum of the cost bases (or reduced cost bases) of the 2 NewCo Shares. For securityholders who have chosen to apply rollover in the manner outlined at section 2.3, the cost base for each consolidated NewCo Share will be equal to their cost base for the Ardent Leisure Group Stapled Security previously held. For securityholders who have not chosen to apply rollover in the manner outlined at section 2.3, the cost base (or reduced cost base, if applicable) for each consolidated NewCo Share will be equal to the sum of the cost base (or reduced cost base) of the ALL Shares disposed of and the market value of the NewCo Shares received in exchange for the Trust Units.

2.5 Tax treatment of future distributions

2.5.1 Australian tax resident individuals and complying superannuation entities

Where dividends on NewCo Shares are distributed, those dividends will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year they derive the dividend, together with any franking credit attached to that dividend if they are a “qualified person” (refer further comments below).

Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a “qualified person” or where the investor receives less than \$5,000 in franking credits from all sources for the income year. The tax offset can be applied to reduce the income tax payable on the investor’s taxable income. Where the tax offset exceeds the tax payable on the investor’s taxable income in an income year, such investors should be entitled to a tax refund.

Where a dividend paid is unfranked, the investor will generally be taxed at their prevailing marginal tax rate on the dividend received with no tax offset.

2.5.2 Australian tax resident companies

Corporate investors are required to include both the dividend and associated franking credit in their assessable income subject to being a “qualified person”. A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian tax resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend received. Such corporate investors can then pass on the benefit of the franking credits to their own investor(s) on the payment of dividends. Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

2.5.3 Australian tax resident trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in their assessable income in determining the net income of the trust or partnership. Subject to being a “qualified person”, the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary’s or partner’s share of the franking credit received by the trust or partnership.

2.5.4 Shares held at risk

The benefit of franking credits can be denied where an investor is not a “qualified person”, in which case the investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an investor must satisfy the holding period rule including, if necessary, the related payment rule.

The holding period rule requires an investor to hold the NewCo Shares “at risk” for more than 45 days continuously, in the period beginning the day after the day on which the investor acquires the NewCo Shares and ending on the 45th day after the day on which the NewCo Shares become ex-dividend. The date the NewCo Shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which an investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over NewCo Shares or entering into a contract to sell the NewCo Shares) will not be counted as a day on which the investor held the NewCo Shares “at risk”. This holding period rule is subject to certain exceptions. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate passes on the benefit of the dividend to another person.

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The related payment rule requires the investor to have held the NewCo Shares at risk for a period commencing on the 45th day before and ending on the 45th day after the day the NewCo Shares become ex-dividend. Practically, this should not impact investors who do not pass the benefit of the dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

Dividend washing rules can apply such that no tax offset is available (nor is an amount required to be included in assessable income) for a dividend received. Investors should consider the impact of these rules having regard to their own personal circumstances.

2.5.5 Non-tax resident securityholders

Fully franked dividends received by non-tax resident securityholders should be exempt from Australian dividend withholding tax.

Unfranked dividends will be subject to dividend withholding tax. The withholding tax rate is 30% but is generally reduced to 15% (or lower under certain tax treaties) for dividends paid to residents of countries with which Australia has entered into a tax treaty. The applicable dividend withholding tax rate will depend on the tax treaty relevant to the non-tax resident securityholder. The dividend withholding tax represents a final tax liability for non-tax resident securityholders (i.e. there is no further tax on an assessment basis in respect of these dividends in Australia).

Where the NewCo Shares are attributable to an Australian permanent establishment of the non-tax resident securityholder, dividends will be taxed on an assessment basis instead of being subject to withholding tax.

Withholding tax is also not payable in respect to the amount of an unfranked dividend that NewCo declares as "Conduit Foreign Income" ("CFI"). The CFI rules allow certain foreign sourced income derived by an Australian company that is paid to foreign shareholders to flow through Australia without incurring Australian income tax or withholding tax.

Based on the information contained in the Securityholder Booklet it is expected that NewCo would be able to make use of the CFI rules because the income of the company is expected to include dividends received from its subsidiaries that will be non-assessable non-exempt foreign income under ITAA 1997.

Amounts declared to be CFI are not assessable income of a non-resident for Australian tax purposes.

2.6 Tax treatment of future disposals of NewCo Shares

2.6.1 Australian tax resident securityholders

The disposal of NewCo Shares by an investor will be a capital gains tax event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the NewCo Shares. In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the capital gain (after reduction of total capital gains by capital losses) where the investor is an individual, complying superannuation entity or trustee, the NewCo Shares have been held for at least 12 months and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one half, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

Where the investor is the trustee of a trust that has held the NewCo Shares for at least 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Investors that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the NewCo Shares exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the investor in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

2.6.2 Non-tax resident securityholders

Any capital gain or loss made by non-tax resident securityholders from the disposal of their NewCo Shares should be automatically disregarded on the basis that the NewCo Shares would not constitute “taxable Australian property”. No election would need to be made by the non-tax resident securityholders.

However, a capital gain may arise for non-tax resident securityholders if they have held their NewCo Shares or the corresponding Ardent Leisure Group Stapled Securities in the course of carrying on a business through an Australian permanent establishment.

If the non-tax resident securityholder is a tax resident of a country in which a tax treaty exists with Australia, relief may be available under the relevant treaty. Non-tax resident securityholders should seek their own advice in relation to the availability of treaty relief.

No CGT discount is available for non-tax resident securityholders.

3. Taxation treatment for Ineligible Foreign Securityholders

As detailed in the Securityholder Booklet, a small number of Ardent Leisure Group Stapled Securities are held by securityholders in foreign jurisdictions who are ineligible to participate in the Proposal (referred to as Ineligible Foreign Securityholders). Ineligible Foreign Securityholders will not participate in the Proposal but instead have their Ardent Leisure Group Stapled Securities transferred to the Sale Nominee. Following implementation of the Proposal, the Sale Nominee will sell the NewCo Shares it then holds and remit the proceeds of the sale to the Ineligible Foreign Securityholders.

Broadly, a capital gain or loss should not arise to Ineligible Foreign Securityholders from the disposal of Ardent Leisure Group Stapled Securities unless they have held their securities in the course of carrying on a business through an Australian permanent establishment.

If an Ineligible Foreign Securityholder does derive a capital gain and is a tax resident of a country in which a tax treaty exists with Australia, relief may be available under the relevant treaty. Relevant Ineligible Foreign Securityholders should seek their own advice in relation to the availability of treaty relief.

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10 Details about the Proposal and Securityholder approvals

10.1 Implementation mechanics

The exchange of Ardent Leisure Group Stapled Securities for NewCo Shares will occur under the Schemes on the Implementation Date in the order specified below. There are separate Schemes for each of ALL and the Trust:

- firstly, the Company Scheme under which Eligible Securityholders will receive 1 NewCo Share for each ALL Share they hold; and
- immediately after the completion of the Company Scheme, the Trust Scheme will commence under which Eligible Securityholders will receive 1 NewCo Share for each Trust Unit they hold

Under each of the Schemes, the ALL Shares and Trust Units will be transferred from Eligible Securityholders to NewCo (and, in the case of the ALL Shares and Trust Units held by Ineligible Foreign Securityholders, these will be transferred to the Sale Agent and then to NewCo) so that NewCo will become the sole holder of the ALL Shares and the Trust Units.

Immediately upon the implementation of the Schemes, the number of NewCo Shares held by Ardent Leisure Group Securityholders will be consolidated under the Share Consolidation so that Eligible Securityholders will hold one NewCo Share for each Ardent Leisure Group Stapled Security they held as at the Record Date.

NewCo currently has on issue one fully paid ordinary share, which is held by Antonia Korsanos, one of the Ardent Leisure Group Directors. The NewCo share represents paid up capital of \$1. At the time of issue of the NewCo Shares to Securityholders under the Schemes, this existing NewCo Share will automatically be cancelled as a result of the Share Consolidation and the impact of rounding.

Securityholders should be aware that, pursuant to the Schemes each Ardent Leisure Group Securityholder on the Record Date will be deemed to have warranted to Ardent Leisure Group and, in the case of Ineligible Foreign Securityholders to the Sale Agent, that their Ardent Leisure Group Stapled Securities are not subject to any encumbrances or interests of third parties and that they have full power and capacity to sell and transfer such Ardent Leisure Group Stapled Securities.

10.2 Conditions and termination rights

The Proposal is subject to a number of conditions precedent which remain outstanding. The status of these conditions precedent is set out below:

Condition precedent	Status
Securityholder approval: Ardent Leisure Group Securityholders approve each of the Resolutions at the Meetings before the Second Court Hearing with the requisite majority. The requisite majority for the approval of the Company Scheme Resolution is 75% of the votes cast and a majority in number of the Securityholders voting. The resolutions approving the Trust Constitution Amendments and the Destapling at the General Meetings will be passed only if in each case they have been passed by at least	The Meetings to consider the Resolutions will be held on 20 November 2018 as described in this Securityholder Booklet.

Condition precedent	Status
<p>75% of the votes cast by Securityholders who voted (in person or by proxy or representative). The resolution approving the acquisition by NewCo of all of the Trust Units under the Trust Scheme for the purposes of item 7 of section 611 of the Corporations Act at the General Meetings will be passed only if it has been passed by at least 50% of the votes cast by the Securityholders who voted (in person or by proxy or representative).</p>	
<p>Court approval: the Court makes orders to approve the Company Scheme under section 411(4)(b) of the Corporations Act at the Second Court Hearing, either unconditionally or on conditions that do not impose unduly onerous obligations on any party (acting reasonably).</p>	<p>Court approval of the Company Scheme will be sought at the Second Court Hearing.</p>
<p>Judicial advice: ALML (in its capacity as responsible entity of the Trust) obtains judicial advice from the Court at the Second Court Hearing that it would be justified in implementing the Trust Scheme, either unconditionally or on conditions that do not impose unduly onerous obligations on any party (acting reasonably).</p>	<p>The advice of the Court will be sought at the Second Court Hearing.</p>
<p>Regulatory: before 8.00 am on the Second Court Hearing Date, ASIC and the ASX issue or provide such consents, waivers, approvals or declarations as the parties believe are reasonably necessary or desirable to implement the Proposal, either unconditionally or on conditions that do not impose unduly onerous obligations on any party (acting reasonably), and such consent, waiver, approval or declaration has not been withdrawn or revoked before 8.00 am on the Second Court Hearing Date.</p>	<p>ASIC has agreed in principle to grant the necessary relief to implement the Proposal.</p> <p>ASX has agreed in principle to grant the necessary waivers and confirmations to implement the Proposal.</p> <p>There are no other outstanding regulatory approvals (save for obtaining formal instruments of relief in relation to the above).</p>
<p>the ASX listing: before 8.00 am on the Second Court Hearing Date, the ASX has provided in-principle approval in respect of the admission of NewCo to the official list and the quotation of the NewCo Shares on the ASX, subject to customary conditions, and such approval has not been withdrawn or revoked before 8.00 am on the Second Court Hearing Date</p>	<p>NewCo will apply for admission to the official list of the ASX and quotation of NewCo Shares on the ASX at the time of despatch of the Securityholder Booklet to Ardent Leisure Group Securityholders.</p>
<p>Injunction: no restraining orders, injunctions or other orders issued by any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, bureau, tribunal, agency or entity in any part of the world and including the ASX, ASIC and the ATO preventing or materially restricting the Proposal are in effect as at 8.00 am on the Second Court Hearing Date.</p>	<p>Ardent Leisure Group is not aware of any such orders or injunctions.</p>

Condition precedent	Status
<p>Financier Consent: before 8.00 am on the Second Court Hearing Date, the Agent on behalf of Ardent Leisure Group’s financiers consents in writing to the implementation of the Schemes and the Restructure on terms and conditions acceptable to Ardent Leisure Group.</p>	<p>Prior to the date of this Securityholder Booklet, the Agent, on behalf of Ardent Leisure Group’s financiers, provided in-principle consent to the implementation of the Schemes and the Restructure on terms acceptable to Ardent Leisure Group. As at the date of this Securityholder Booklet, Ardent Leisure Group believes that this condition will be formally satisfied prior to the Second Court Hearing.</p>

The Implementation Deed provides termination rights in certain limited cases, including where there is an alternative transaction which is superior to the Proposal or where the Ardent Leisure Group Directors determine that the Proposal is no longer in the best interests of Ardent Leisure Group Securityholders. The Ardent Leisure Group retains the discretion to withdraw the Proposal.

10.3 Sale Facility

(a) Summary

The Sale Facility forms part of the Schemes. Under the Sale Facility:

- Ardent Leisure Group Stapled Securities held by Ineligible Foreign Securityholders will be transferred to the Sale Agent on or before the Implementation Date without the need for any further action by the Ineligible Foreign Securityholders;
- the Sale Agent will Participate in the Proposal in respect of those Ardent Leisure Group Stapled Securities in the same way as other Ardent Leisure Group Securityholders. After the implementation of the Proposal, the Sale Agent will hold the NewCo Shares which would otherwise have been received by Ineligible Foreign Securityholders (see section 6.15);
- as soon as is reasonably practicable after the Implementation Date (and in any event within 29 Business Days of the commencement of normal settlement trading of NewCo Shares), the Sale Agent will sell the NewCo Shares it holds. The sale will occur on market on the ASX in the ordinary course of trading; and
- no later than 11 Business Days after the day on which the last of the proceeds of sale of all of the NewCo Shares are received, the sale proceeds, will be paid to Ineligible Foreign Securityholders by cheque or bank draft or electronic funds transfer into a bank account nominated by the Ineligible Foreign Securityholder for the amount due to each Ineligible Foreign Securityholder together with a statement of how the amount is calculated. That amount will be paid in Australian dollars.

(b) Determination of sale proceeds

Each Ineligible Foreign Securityholder will participate in the Sale Facility and receive an amount equal to the average price per NewCo Share at which the Sale Agent sold the NewCo Shares under the Sale Facility, multiplied by the number of NewCo Shares to which the Ineligible Foreign Securityholder would otherwise have been entitled under the Proposal.

Ardent Leisure Group will bear any costs, fees or taxes incurred by the Sale Agent.

The sale price of NewCo Shares and the proceeds that the Ineligible Foreign Securityholder will receive cannot be guaranteed as the market price of NewCo Shares is subject to change from time to time. The sale proceeds will not necessarily be the highest price at which the NewCo Shares could be sold during the sale period. The Sale Agent will sell the NewCo Shares in such manner, at such prices, and at such times as the Sale Agent sees fit, and as the Sale Agent determines in good faith in accordance with certain objectives, including achieving the best prices reasonably obtainable at the time of the sales. Factors that may influence the price that may be obtained include:

- the total number of NewCo Shares that are sold in the Sale Facility. If a large number of NewCo Shares are required to be included in the Sale Facility, the sale price for those NewCo Shares may be lower if the Sale Facility increases the supply of NewCo Shares available for sale without there being corresponding demand for the acquisition of NewCo Shares during the relevant period;
- the prevailing market conditions, including the prevailing price of NewCo Shares on the ASX and the prevailing demand for those shares; and
- the period during which the sale process is undertaken.

(c) Alternatives to participating in Sale Facility

As an alternative to participating in the Sale Facility, Ardent Leisure Group Securityholders who expect to be Ineligible Foreign Securityholders may choose to sell their Ardent Leisure Group Stapled Securities on market by the last day of trading of Ardent Leisure Group Stapled Securities (expected to be Thursday, 29 November being the Effective Date). There are a number of differences between selling Ardent Leisure Group Stapled Securities on market and participating in the Sale Facility, including:

- the price may be higher or lower;
- under the Sale Facility, Ineligible Foreign Securityholders have no control over the sale proceeds they will receive;
- Ineligible Foreign Securityholders will need to wait until after the Sale Facility process is completed before they receive the sale proceeds;
- transfers and sales under the Sale Facility will only proceed if the Proposal is implemented; and
- Ineligible Foreign Securityholders will need to pay brokerage fees if they sell Ardent Leisure Group Stapled Securities on market.

10.4 Approval of the Company Scheme – Company Scheme Resolution

(a) First Court Hearing

On Tuesday, 9 October 2018, the Court ordered that the Company Scheme Meeting be convened and that this Securityholder Booklet be despatched to Ardent Leisure Group Securityholders. The orders made by the Court do not constitute an endorsement of the Schemes or this Securityholder Booklet.

(b) Company Scheme Resolution

For the Company Scheme to take effect, section 411(4) of the Corporations Act requires a meeting of ALL Shareholders to be held, at which the Company Scheme must be approved by the passing of the Company Scheme Resolution by a majority in number of Securityholders present and voting (either in person or by proxy) at the Company

Scheme Meeting and representing in aggregate not less than 75% of the votes cast on the Company Scheme Resolution at the Company Scheme Meeting.

The Company Scheme Resolution is set out in the Notice of Company Scheme Meeting in Annexure E of this Securityholder Booklet. The result of the Company Scheme Meeting must then be provided to the Court, which will consider whether or not to approve the Company Scheme.

(c) Second Court Hearing

ALL will apply to the Court for an order approving the Company Scheme if the Company Scheme Resolution is approved by the requisite majority of Securityholders at the Company Scheme Meeting. The Court has a discretion as to whether to grant the orders approving the Company Scheme, even if the Scheme is approved by the requisite majority of Ardent Leisure Group Securityholders. Each Ardent Leisure Group Securityholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Hearing. The Corporations Act and section 2.13 of the Supreme Court (Corporations) Rules 1999 (NSW) provide a procedure for creditors, contributories or officers to be heard at the Second Court Hearing. At common law, Ardent Leisure Group Securityholders may also oppose the approval by the Court of the Company Scheme.

If you wish to oppose the approval of the Company Scheme at the Second Court Hearing you may do so by filing with the Court and serving on ALL a notice of appearance in the form prescribed under section 2.9 of the Supreme Court (Corporations) Rules 1999 (NSW) together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on ALL at the following address for service at least one day before the Second Court Hearing: Attention: Chris Todd, Ardent Leisure Limited, Level 8, 60 Miller Street, North Sydney NSW 2060.

With leave of the Court, you may also oppose the approval of the Company Scheme by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. ALL should be notified in advance of an intention to object. The date for the Second Court Hearing is currently scheduled to be Wednesday, 28 November 2018, though an earlier or later date may be sought. Any change to this date will be announced through the ASX and notified on Ardent Leisure Group's website (www.ardentleisure.com).

ASIC has also been given the opportunity to comment on this Securityholder Booklet in accordance with subsection 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with subsection 411(17)(b) of the Corporations Act, that it has no objections to the Company Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing.

If the Company Scheme is approved by Ardent Leisure Group Securityholders at the Company Scheme Meeting and by the Court at the Second Court Hearing the Company Scheme will become formally Effective when a copy of the Court orders approving the Company Scheme is lodged with ASIC, or on such earlier date as the Court determines and specifies in the order.

10.5 Approval of the Trust Scheme

(a) Trust Constitution Amendments

It is proposed that the Trust Constitution be amended to implement the Trust Scheme. These amendments will be approved by way of a special resolution of Ardent Leisure Group Securityholders (in their capacity as holders of the Trust Units) and recorded in the

Trust Constitution Deed Poll which ALML will execute and lodge with ASIC following the Second Court Hearing in order to effect the amendments to the Trust Constitution.

The Trust Constitution Amendments are set out at Annexure D of this Securityholder Booklet.

ALML (as responsible entity of the Trust) has applied to the Court for judicial advice and has received such advice confirming that:

- ALML would be justified in convening the General Meetings for the purposes of considering the relevant General Meetings Resolutions to implement the Proposal; and
- subject to approval of the General Meetings Resolutions, ALML would be justified in proceeding on the basis that the Trust Constitution Amendments would be within its powers as trustee and responsible entity, including the powers of alteration conferred by the Trust Constitution and section 601GC of the Corporations Act.

At the Second Court Hearing, ALML will seek judicial advice confirming that it would be justified in acting upon the General Meetings Resolutions, and that all costs and expenses incurred as trustee or responsible entity in relation to the judicial advice are payable or reimbursable out of the assets of the Trust.

Any person who claims that his or her rights as a Trust Unit Holder will be prejudiced by the Trust Constitution Amendments may, at the Second Court Hearing, apply to the Court for such orders or directions as the circumstances may require.

The proposed new Trust Constitution and Trust Constitution Deed Poll are available for inspection at the offices of Ardent Leisure Group at Level 8, 60 Miller Street North Sydney NSW 2060 between 9.00 am and 5.00 pm on Business Days. A copy of these documents will also be made available on request free of charge by calling the ALG Securityholder Information Line on 1300 502 987 (toll free from within Australia) or on +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday.

(b) Approval of the acquisition of Trust Units by NewCo

The acquisition by NewCo of all of the Trust Units under the Trust Scheme requires the approval of Securityholders (in their capacity as holders of the Trust Units) by ordinary resolution under item 7 of section 611 of the Corporations Act (as amended by ASIC relief).

10.6 Approval of the Destapling of Ardent Leisure Group Stapled Securities

The ALL Shares and Trust Units are currently stapled together so that they cannot be dealt with individually. In order to implement the Proposal in the manner proposed, it is necessary to Destaple the Ardent Leisure Group Stapled Securities prior to their transfer to NewCo under the Schemes.

There is no separate stapling deed or agreement as between ALL and ALML that governs the stapling together of the ALL Shares and the Trust Units, and accordingly the stapling of the ALL Shares and Trust Units is effected and governed by certain stapling provisions in the ALL Constitution and the Trust Constitution.

In accordance with the ALL Constitution and the Trust Constitution, the Ardent Leisure Group Directors can determine that, subject to the approval of Ardent Leisure Group Securityholders by special resolution, the stapling provisions of the ALL Constitution and the Trust Constitution will cease to apply and that a particular date will be the Destapling date. The Ardent Leisure Group Directors have made this determination, and subject to

approval by Ardent Leisure Group Securityholders at the General Meetings, the Destapling date will be the Implementation Date. The ALL Constitution will not need to be amended in order to implement the Destapling (or the Proposal more generally). This is because, following a destapling resolution being passed, the ALL Constitution permits the directors of ALL to Destaple the ALL Shares from the Trust Units and determine that the stapling provisions of the ALL Constitution cease to apply. The Trust Constitution contains analogous language to the ALL Constitution and accordingly will also not need to be amended on account of the destapling (however, the Trust Constitution will be amended if the Proposal is approved as set out in section 10.5(a)).

10.7 Entitlement to vote on the Proposal and voting exclusions

(a) Approval thresholds

The approval thresholds for each of the Resolutions are as follows:

- the Company Scheme Resolution will be passed only if it is passed by a majority in number of Securityholders who voted (in person or by proxy or representative) and 75% of the votes cast by Securityholders entitled to vote;
- the resolutions approving the Trust Constitution Amendments and the Destapling of Ardent Leisure Group Stapled Securities will be passed as special resolutions only if in each case they have been passed by at least 75% of the votes cast by Securityholders who voted (in person or by proxy or representative); and
- the resolution approving the acquisition by NewCo of all of the Trust Units under the Trust Scheme for the purposes of item 7 of section 611 of the Corporations Act will be passed as an ordinary resolution only if it is passed by at least 50% of the votes cast by the Securityholders who voted (in person or by proxy or representative).

Each Ardent Leisure Group Securityholder who is registered on the Register at 10.45 am on Sunday, 18 November 2018 is entitled to attend and vote, either in person or by proxy, at the Company Scheme Meeting.

Each Ardent Leisure Group Securityholder who is registered on the Register at 11.00 am on Sunday, 18 November 2018 is entitled to attend and vote, either in person or by proxy, at the General Meetings.

(b) Voting by poll

Each Resolution proposed at the Meetings will be decided by way of a poll. On a poll for:

- ALL, each Securityholder has one vote for every ALL Share held; and
- the Trust, each Securityholder has one vote for each dollar value of the total interest they have in the Trust.

If you do not vote or vote against the Resolutions, but the Resolutions are approved by the required majority of Ardent Leisure Group Securityholders and all other conditions to the Proposal are either satisfied or waived, then the Proposal will be implemented and will be binding on all Ardent Leisure Group Securityholders.

(c) Voting exclusions

Under section 253E of the Corporations Act, ALML, as the responsible entity of the Trust, and its associates will not be entitled to vote on a Resolution of members of the Trust if they have an interest in that Resolution or matter other than as a member. However, the

Trust and its associates are entitled to vote as a proxy for another Ardent Leisure Group Securityholder, provided their appointment specifies the way it is to vote on the Resolutions and they vote in that way.

Under item 7 of section 611 of the Corporations Act, persons who are proposing to sell their securities under the transaction that is to be approved (and their associates) are prohibited from voting on the Resolutions. ASIC has granted relief from this restriction. However, NewCo and its associates are prohibited from voting on the Resolutions.

11 Additional information

11.1 NewCo Constitution

The rights attaching to the NewCo Shares are set out in the NewCo Constitution. The terms of the NewCo Constitution are substantially the same as the existing ALL Constitution.

As a disclosing entity, NewCo will be subject to regular reporting and disclosure obligations.

The following is a summary of the important aspects of the NewCo Constitution and the rights attaching to the NewCo Shares. A full copy of the NewCo Constitution is available on the Ardent Leisure Group website (www.ardentleisure.com).

Share capital	NewCo may issue ordinary shares or preference shares. All NewCo Shares are ordinary shares and rank equally in all aspects. NewCo must maintain a register of NewCo Shareholders.
Restrictions on ownership of NewCo Shares	There are no limitations on the right to own NewCo Shares or vote based on residence or nationality imposed by law or the NewCo Constitution, although the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) regulates foreign ownership generally.
Voting	At a general meeting, every NewCo Shareholder who holds an ordinary share present in person or as proxy, representative or attorney has one vote on a show of hands and every NewCo Shareholder present, whether in person or by proxy, representative or attorney has one vote per NewCo Share on a poll. NewCo preference shareholders only have a right to vote in certain circumstances including on a proposal to wind up or reduce the share capital of NewCo, on a proposal that affects rights attached to the preference shares, where a dividend is unpaid in respect of the preference shares or in other circumstances as required by the Listing Rules.
General meetings	Each NewCo Shareholder is entitled to notice of, and to attend at, general meetings, and to receive all notices, accounts and other documents required to be sent to NewCo Shareholders under the NewCo Constitution, the Corporations Act or the Listing Rules.
Rights on winding up	If NewCo is wound up and the property of the company available for distribution among the NewCo Shareholders is more than sufficient to pay all the debts and liabilities of the company and the costs, charges and expenses of the winding up, the excess must be divided amongst NewCo Shareholders in proportion to the number of NewCo Shares held by them.
NewCo Directors	The minimum number of NewCo Directors is three and the maximum number is 12. NewCo Shareholders may vary the number by ordinary resolution in general meeting. The NewCo Directors will be subject to retirement by rotation and re-election by NewCo Shareholders in general meeting.

Removal of NewCo Directors	NewCo Shareholders can by resolution remove any director and appoint another person as a replacement.
NewCo Directors' remuneration	A NewCo Director's remuneration is determined by the NewCo Directors but the total amount provided to all non-executive NewCo Directors for the services as NewCo Directors must not exceed the amount fixed by NewCo at its general meeting. The total amount currently fixed for the remuneration of non-executive NewCo Directors will be the same as the total amount currently fixed for the remuneration of non-executive Ardent Leisure Group Directors.
Indemnification	Each NewCo Director, secretary and executive officer of NewCo may be indemnified against any liability incurred in that capacity to another person unless NewCo is prohibited by statute to indemnify the person.
NewCo Directors' interests	A NewCo Director who has an interest in a matter that is being considered at a meeting of NewCo Directors, may despite that interest, vote, be present and be counted in a quorum at the meeting unless prohibited by the Corporations Act.
Shareholding qualification of a NewCo Director	A person is not required to hold any NewCo Shares to qualify for appointment as a NewCo Director.
Sale of non-marketable parcels	NewCo is permitted to implement arrangements to sell certain small shareholdings on behalf of NewCo Shareholders.
Rights, preferences and restrictions attaching to each class of shares	NewCo may issue any further classes of shares with any such preferred, deferred or other special rights or with those restrictions, whether with regard to dividends, voting, return of capital or otherwise as the NewCo Directors determine.
Dividends	The NewCo Directors may pay any interim, special and final dividends. Subject to any rights or restrictions attached to any shares in the capital of NewCo (at present, there are none), dividends are apportioned and paid proportionately to the amounts paid up or credited as paid on the shares.
Capitalisation of profits	The NewCo Directors may capitalise and distribute among NewCo Shareholders any amount in proportion to which NewCo Shareholders would have been entitled to receive dividends.
Lien and forfeiture	NewCo has a first lien on each partly paid NewCo Share, for all unpaid calls and instalments due and each NewCo Share for any amounts the company is required by law to pay and has paid in respect of that NewCo Share.
Constitution amendment	The NewCo Constitution can only be amended by special resolution passed by at least 75% of the votes cast by NewCo Shareholders entitled to vote on the resolution at a general meeting of NewCo.

Approval of proportional takeover bids

If offers are made under a proportional takeover bid for NewCo Shares, NewCo cannot register the relevant transfer of NewCo Shares unless and until that takeover bid has been approved by NewCo Shareholders. A resolution approving a takeover bid is passed where more than 50% of the votes cast by NewCo Shareholders entitled to vote on the resolution at a general meeting of NewCo vote in favour of the takeover bid. In accordance with the Corporations Act, NewCo will be required to periodically seek approval from NewCo Shareholders in order for this provision of the NewCo Constitution to remain valid. The ALL Constitution does not contain provisions that are in force requiring that this procedure be adopted in respect of a takeover, and accordingly this is a provision that will apply to the NewCo Shares that does not currently apply to the Ardent Leisure Group Stapled Securities.

11.2 NewCo capital structure

The proposed capital structure of NewCo is as follows:

The number and class of each security and each debt security currently on issue	1 fully paid, ordinary share
The number and class of each equity security and debt security proposed to be issued between the date of this Securityholder Booklet and the Implementation Date (including on the Implementation Date)	959,412,032 fully paid, ordinary shares
The resulting total number of each class of equity security and debt security proposed to be on issue at the date NewCo is admitted to the official list and trading commences on a normal settlement basis (T+2) and after taking into account the Share Consolidation which occurs on the Implementation Date	479,706,016 fully paid, ordinary shares
The number and class of each equity security proposed to be issued following admission in accordance with all existing Performance Rights on issue as at the date of this Securityholder Booklet (assuming that any NewCo Shares that are provided to participants who exercise vested Performance Rights are newly issued NewCo Shares)	Up to 2,334,863 fully paid, ordinary shares

The issue price of all NewCo Shares for which NewCo seeks quotation will be at least 20 cents. The inclusion of this statement in this Securityholder Booklet is to demonstrate compliance with a requirement of the Listing Rules and is not an indication of the implied issue price of the NewCo Shares issued under the Schemes.

11.3 Implementation Deed

On 5 October 2018, ALL, ALML, as responsible entity of the Trust, and NewCo entered into an Implementation Deed, which sets out the procedures to be followed to implement

the Proposal and the Restructure and other related matters as described in this Securityholder Booklet.

The Implementation Deed provides termination rights in certain limited cases, including where there is an alternative transaction which is superior to the Proposal or where the Ardent Leisure Group Directors determine that the Proposal is no longer in the best interests of Ardent Leisure Group Securityholders. The Ardent Leisure Group retains the discretion to withdraw the Proposal.

The Implementation Deed provides for an end date for the Schemes becoming Effective, being the End Date or such other date as agreed by the parties. If the Schemes have not become Effective on or before the End Date, ALL, ALML or NewCo may terminate the Implementation Deed by notice to the other parties.

11.4 Trust Constitution Deed Poll

Following the Second Court Hearing, ALML, as responsible entity of the Trust, will execute a deed poll and lodge it with ASIC to give effect to the Trust Constitution Amendments.

11.5 NewCo Deed Poll

NewCo has executed a deed poll in favour of each Eligible Securityholder and each Ineligible Foreign Securityholder under which it undertakes to perform all steps that it is required to perform to implement under the Schemes. A full copy of the NewCo Deed Poll is available on the Ardent Leisure Group website (www.ardentleisure.com).

11.6 Sale Facility Agreement

Ardent Leisure Group will appoint the Sale Agent under the Sale Facility Agreement for the purposes of the Sale Facility. The operation of the Sale Facility is described in section 10.3.

Under its terms, a party may terminate the Sale Facility Agreement for material breach by the other party, or if the other party ceases to pay or be able to pay its debts as they become due, triggers certain insolvency events, or if the Schemes do not proceed for any reason.

11.7 NewCo guarantee

NewCo has irrevocably agreed, with effect from implementation of the Proposal, to guarantee the liabilities of ALL that may arise in respect of the Dreamworld incident and so the Restructure will not impact ALL's capacity to meet any such liabilities.

11.8 Ardent Leisure Group Directors' interest in the Proposal

The number of Ardent Leisure Group Stapled Securities held (directly, indirectly or beneficially) by each Ardent Leisure Group Director as at the date of this Securityholder Booklet is set out in the following table:

Ardent Leisure Group Director	Number of Ardent Leisure Group Stapled Securities
Dr Gary Weiss	55,494,054 (last announcement 7 September 2018) ¹
Randy Garfield	Nil
Edward (David) Haslingden	160,000 (last announcement 15 March 2016)
Donald Morris AO	13,950 (last announcement 5 June 2015)
Carl (Brad) Richmond	48,450 (last announcement 29 December 2017)
Antonia (Toni) Korsanos	Nil

No Ardent Leisure Group Director holds any other marketable securities of Ardent Leisure Group or has an interest in the Proposal other than as an Ardent Leisure Group Securityholder as set out above.

No Ardent Leisure Group Director holds any marketable securities of NewCo, other than Antonia Korsanos, an Ardent Leisure Group Director, who holds one NewCo share as set out in section 10.1.

No payment or other benefit is proposed to be made or given to any director, company secretary or executive officer of Ardent Leisure Group (including its related bodies corporate) as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Ardent Leisure Group (including its related bodies corporate) in connection with the Proposal.

Each Ardent Leisure Group Director will be entitled to vote at the Meetings and Participate in the Proposal in respect of the Ardent Leisure Group Stapled Securities referred to above. Each Ardent Leisure Group Director intends to vote any Ardent Leisure Group Stapled Securities held or controlled by them in favour of each of the Resolutions.

Other than as set out above, no Ardent Leisure Group Director has at the date of this Securityholder Booklet, or had within the 2 preceding years, any interests in the offer of NewCo Shares, the formation or promotion of NewCo or in any property acquired or proposed to be acquired by NewCo, and no amounts have been paid or agreed to be paid by any person to an Ardent Leisure Group Director either to induce them to become, or to qualify them as, a director of NewCo.

11.9 NewCo governance and employment arrangements

The NewCo Directors are the same persons as the Ardent Leisure Group Directors as at the date of this Securityholder Booklet. Whilst NewCo is a new entity, the Ardent Leisure Group Directors will continue to retire by rotation on the same schedule that would have applied without the Proposal.

The Ardent Leisure Group Directors will be paid directors' fees in accordance with their existing terms. Details of Ardent Leisure Group's existing remuneration arrangements for its non-executive directors are set out in the Remuneration Report in Ardent Leisure Group's 2018 Annual Report, which may be found at the "Company Reports" section of Ardent Leisure Group's website (www.ardentleisure.com).

¹ Dr Weiss does not personally hold these Ardent Leisure Stapled Securities. See Appendix 3X dated 3 September 2017 and Appendix 3Y dated 7 September 2018 for an explanation of the nature of this indirect interest.

NewCo will also continue to have substantially the same corporate governance arrangements as Ardent Leisure Group. In particular, at implementation of the Proposal:

Ardent Leisure Group will have an Audit and Risk Committee which will be made up of non-executive directors, the majority of which, including the Chair (not being the Chair of the board) will be independent directors;

- its Remuneration and Nomination Committee will be made up of three members, the majority of which, including the Chair, will be non-executive independent directors; and
- upon implementation of the Proposal, updated material relating to Ardent Leisure Group's corporate governance practices (including its Corporate Governance Statement) will be available at the "Corporate Governance" section of Ardent Leisure Group's website, www.ardentleisure.com.

Ardent Leisure Group expects its remuneration policies and employee arrangements will continue on substantially similar terms following implementation of the Proposal.

The effect of the Proposal on Performance Rights which have been granted at the date of this Securityholder Booklet is described in section 11.11.

Following implementation of the Proposal, NewCo intends to adopt employee equity schemes with substantially similar terms as Ardent Leisure Group's current DSTIP and LTIP. The terms of the NewCo DSTIP and LTIP may differ (if necessary) to reflect recent changes in the regulation of employee equity schemes but it is not anticipated that there will be any material differences as a consequence of the Proposal.

11.10 Interests of experts and advisers

Other than as set out below, no person named in this Securityholder Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation of the Securityholder Booklet has any interest in the offer of NewCo Shares, the promotion of NewCo or in any property acquired or proposed to be acquired by NewCo. No amounts other than the fees described below have been paid or agreed to be paid by any person to any such professional or adviser for services rendered by them in connection with the Proposal.

Gilbert + Tobin is entitled to be paid approximately \$1,000,000 (plus GST and disbursements) in fees and charges for Australian legal services rendered to Ardent Leisure Group in relation to the Proposal up to the date of this Securityholder Booklet in connection with the Proposal. Further amounts may be paid in accordance with its normal time based charges.

Deloitte Corporate Finance Pty Limited is entitled to be paid approximately \$90,000 (plus GST and disbursements) in fees and charges for preparation of the Independent Expert's Report. Further amounts may be paid in accordance with its normal time based charges.

Ernst & Young Transaction Advisory Services Limited, is entitled to be paid approximately \$125,000 (plus GST and disbursements) in fees and charges for the preparation of its Independent Limited Assurance Report up to the date of this Securityholder Booklet. Further amounts may be paid in accordance with its normal time based charges.

Ernst & Young is entitled to be paid approximately \$75,000 (plus GST and disbursements) in fees and charges for the provision of financial and tax due diligence services and the provision of the Australian Taxation Letter in section 9 up to the date of this Securityholder Booklet in connection with the Proposal. Further amounts may be paid in accordance with its normal time based charges.

11.11 Effect of the Proposal on Ardent Leisure Group's employee equity schemes

The Performance Rights over Ardent Leisure Group Stapled Securities that have been granted to participants under the DSTIP and LTIP before the Implementation Date will continue to be subject to the same conditions under the DSTIP or LTIP existing prior to the Proposal.

Ardent Leisure Group employees and former employees holding Performance Rights over Ardent Leisure Group Stapled Securities under Ardent Leisure Group's current DSTIP and LTIP will be invited to receive NewCo Shares (rather than Ardent Leisure Group Stapled Securities) on exercise of any Performance Rights which vest pursuant to the applicable rules of the DSTIP and LTIP.

11.12 Effect of the Proposal on Ardent Leisure Group's DRP

Upon implementation of the Proposal, the existing distribution reinvestment plan of the Ardent Leisure Group will be replaced with a NewCo dividend reinvestment plan associated with any future dividend payments by NewCo, however, any decision to activate the NewCo DRP for any particular dividend will be determined by the NewCo Directors at the applicable time. The NewCo DRP will be available at the "Investor Centre" section of the Ardent Leisure Group website at www.ardentleisure.com following implementation of the Proposal.

11.13 ASIC relief

ASIC has granted, or agreed in principle to grant, the following relief:

(a) Disclosure and offers

- Parts 6D.2 and 6D.3 – relief from the requirement to prepare a prospectus in relation to the NewCo Shares issued under the Trust Scheme;
- Section 707 – relief from the on-sale provisions for NewCo Shares issued under the Trust Scheme;
- Division 2 of Part 7.7 – relief for ALML from the requirement to provide a financial services guide in respect of any financial services provided in this Securityholder Booklet;
- Division 5A of Part 7.9 – relief from the prohibition on unsolicited offers to purchase financial products in relation to Trust Units;

(b) Takeover exemption/voting

- Section 611 item 7 – to allow Ardent Leisure Group Securityholders to vote on the resolution necessary for the Trust Scheme;

(c) Sale Facility

- Section 707 – relief from the on-sale provisions for NewCo Shares issued to the Sale Agent under the Trust Scheme;
- Section 601FC(1)(d) – relief to allow Ineligible Foreign Securityholders to be treated differently from Eligible Securityholders;

(d) Short Selling

- Section 1020B – relief from the application of the short-selling prohibitions in relation to the period of deferred settlement trading of NewCo Shares; and

(e) Performance Rights

- Parts 6D and 7.9 – relief from the application of the disclosure requirements in connection with changes to the Performance Rights as described in section 11.11.

11.14 ASX waivers and confirmations

The ASX has agreed to grant the following waivers and confirmations under the Listing Rules:

- Listing Rule 1.1 condition 2 – confirmation that the NewCo Constitution is consistent with the Listing Rules;
- Listing Rule 1.1 condition 3 – confirmation that the ASX agrees to accept an information memorandum (in lieu of a prospectus) and for this Securityholder Booklet to act as that information memorandum;
- Listing Rule 1.1 condition 9 – relief from the requirement for NewCo to satisfy the profit test or the asset test;
- Listing Rule 1.1 condition 12– relief from the requirement for the Performance Rights on issue to have an exercise price of at least 20 cents in cash;
- Listing Rule 1.1 condition 20 – confirmation that no further documentation is required to evidence the good fame and character of the proposed directors of NewCo provided they are existing Ardent Leisure Group Directors;
- Listing Rule 1.4.7 – waiver in relation to the requirement not to raise any capital for 3 months before or 3 months after the date of issue of the information memorandum to permit the operation of the DRP in connection with the distribution to be paid on or about 31 August 2018, which will be within 3 months of listing of NewCo on the ASX;
- Listing Rule 2.1 condition 1 and Listing Rule 6.1 – confirmation that terms applying to NewCo Shares are appropriate and equitable;
- Listing Rule 6.12 – confirmation that an Ineligible Foreign Securityholder may be divested of their Ardent Leisure Group Stapled Securities in accordance with the Trust Constitution Amendments;
- Listing Rules 7.1 and 10.11 – confirmation in relation to the issue of NewCo Shares to implement the Proposal;
- Listing Rule 7.40 – confirmation of timetable;
- Listing Rule 10.1 – confirmation that Listing Rule 10.1 does not apply to the Proposal;
- Listing Rule 11.1 – confirmation that Listing Rule 11.1 does not apply to the Proposal;
- Listing Rule 15.1.1 – confirmation that the ASX does not object to the Trust Constitution Amendments; and
- Listing Rule 17.11 – removal of ALL and the Trust from the official list of the ASX after the Implementation Date.

11.15 Stamp duty relief

Ardent Leisure Group has sought a stamp duty exemption for the Restructure. As at the date of this Securityholder Booklet, Ardent Leisure Group does not know the outcome of the exemption application. While Ardent Leisure Group believes that the current policies and practices of the Queensland Treasury support the grant of that stamp duty exemption, any such exemption would be granted on the basis that NewCo and Aust HoldCo remain part of the same corporate group for a period (of three years) following implementation of the Proposal. As such, any future restructure of the Ardent Leisure Group within that time period would need to satisfy that requirement so as not to unwind that stamp duty exemption. Any change in the ownership of NewCo would not invalidate the exemption.

Nevertheless, there is a risk that the exemption will not be granted. In that case, the magnitude of the potential stamp duty impost may not justify the Restructure taking place. In that case, the NewCo Directors will re-assess whether or not to proceed in full with the Restructure and have the flexibility under the Implementation Deed to terminate the Restructure.

In addition, Ardent Leisure Group will seek from the Queensland Treasury confirmation that the Proposal attracts concessional (rather than ad valorem) rates of stamp duty. This confirmation will be sought after the Implementation Date. While it has been currently estimated to be approximately \$630,000, the magnitude of this stamp duty liability will be based largely on the market value of the land and relevant fixtures held by the Trust as at the Implementation Date. Accordingly, Ardent Leisure Group will not know the final amount of stamp duty payable in respect of the Proposal until after the Implementation Date.

11.16 Australian Taxation Office rulings

Relief from capital gains tax ("rollover relief") could be available to those Ardent Leisure Group Securityholders who hold their Ardent Leisure Group Stapled Securities on capital account and are tax resident for Australian tax purposes.

This means that such Securityholders could be able to exchange their Ardent Leisure Stapled Securities for NewCo Shares without attracting a capital gains tax liability. The Australian tax consequences of the Proposal however, for an Ardent Leisure Group Securityholder, very much depend upon their own personal taxation and factual circumstances.

On behalf of Australian tax resident Securityholders who hold their Ardent Leisure Group Stapled Securities on capital account, Ardent Leisure Group has applied for a class ruling from the ATO. Amongst other matters, this class ruling application has sought confirmation from the ATO that rollover relief would be available for such Securityholders upon implementation of the Proposal. A class ruling has not been sought in relation to the Proposal for non-Australian tax resident Securityholders.

Ardent Leisure Group currently expects the final class ruling to be issued by the ATO after the date of the Meetings but before the Implementation Date. Ardent Leisure Group will make an ASX announcement when the class ruling is published by the ATO. A link to the class ruling will be provided on the Ardent Leisure Group website.

The issue of any such final class ruling is not a pre-condition for an Australian tax resident Ardent Leisure Group Securityholder being able to obtain rollover relief. In addition, the implementation of the Proposal is not conditional on the final class ruling being issued by the ATO.

11.17 Consents and disclaimers

Each of the parties named below as consenting parties:

- has given and has not, before registration of this Securityholder Booklet by ASIC, withdrawn its written consent to be named in this Securityholder Booklet in the form and context in which it is named;
- has given and has not, before the registration of this Securityholder Booklet by ASIC, withdrawn its written consent to the inclusion of its respective statements and reports (where applicable) noted next to its name below;
- does not make, or purport to make, any statement in this Securityholder Booklet or any statement on which a statement in the Securityholder Booklet is based, other than those statements referred to below in respect of that person's name (and as consented to by that person);
- has not caused or authorised the issue of this Securityholder Booklet; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Securityholder Booklet.

Role	Consenting parties	Relevant statement or report
Australian legal adviser to Ardent Leisure Group in connection with the Proposal	Gilbert + Tobin	None, aside from references to its name
Independent Expert	Deloitte Corporate Finance Pty Limited	Independent Expert's Report
Investigating Accountant	Ernst & Young Transaction Advisory Services Limited	Independent Limited Assurance Report
External auditor, provider of financial and tax due diligence services and the Australian Tax Letter	Ernst & Young	Australian Tax Letter References to Ernst & Young as auditor of Ardent Leisure Group

11.18 Entitlement to Participate in the Proposal

(a) Record Date

If the Schemes become Effective, Ardent Leisure Group Securityholders on the Register on the Record Date will Participate in the Proposal unless they are Ineligible Foreign Securityholders. The Record Date is expected to be 7.00 pm on Monday, 3 December 2018.

For the purposes of determining who is an Ardent Leisure Group Securityholder on the Record Date, dealings in Ardent Leisure Group Stapled Securities will only be recognised by Ardent Leisure Group if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered on the Register as the holder of the relevant Ardent Leisure Group Stapled Securities on or before 7.00 pm (Sydney time) on the Record Date, and

- in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00 pm (Sydney time) on the date of the Record Date at the place where the Register is kept.

Ardent Leisure Group will not accept for registration or recognise for any purpose any transmission application or transfer of Ardent Leisure Group Stapled Securities received after 7.00 pm (Sydney time) on the date of the Record Date.

Binding instructions or notifications between an Eligible Securityholder and Ardent Leisure Group relating to Ardent Leisure Group Stapled Securities or an Eligible Securityholder's status as a Securityholder (including, without limitation, any instructions in relation to payment of dividends or communications from Ardent Leisure Group) will (to the extent permitted by law), from the Record Date, be deemed by reason of the Schemes to be similarly binding instructions or notifications to, and accepted by, NewCo in respect of the NewCo Shares issued to the Eligible Securityholder until those instructions or notifications are, in each case, revoked or amended in writing addressed to NewCo or its share registry.

(b) No disposals after the Effective Date

If the Schemes become Effective, you may not dispose of or purport or agree to dispose of any Ardent Leisure Group Stapled Securities after the close of business on the Effective Date. Any dealings in Ardent Leisure Group Stapled Securities after this time will not be recognised.

(c) Ineligible Foreign Securityholders

As described in section 6.15, Ineligible Foreign Securityholders will have their Ardent Leisure Group Stapled Securities transferred to the Sale Agent on or before the Implementation Date. The Sale Agent will then Participate in the Proposal in the same way as other Ardent Leisure Group Securityholders and sell the NewCo Shares it receives. The sale proceeds will be distributed to Ineligible Foreign Securityholders.

11.19 Tax file numbers

Under Australian tax law, a company is entitled to ask its securityholders to disclose their tax file numbers (TFN) to the company. A securityholder can choose to disclose or not disclose their TFN.

If a securityholder chooses not to disclose their TFN or details of any relevant exemptions to the company, the company is required under Australian tax law to withhold tax at the top marginal tax rate plus the Medicare levy, on any dividends paid to the securityholder, unless the dividend is fully franked. If the tax withheld by the company is more than the securityholder would have paid in tax, the securityholder must wait until he or she lodges an income tax return before being entitled to an income tax offset or refund (as applicable) of any excess tax withheld from the dividend payment. On the other hand, if a securityholder chooses to disclose their TFN or details of any relevant exemptions, the company does not have to withhold any tax from any dividends paid to the securityholder.

As part of the Proposal, Ardent Leisure Group (or the Registry) will, unless otherwise directed by the Ardent Leisure Group Securityholders, transfer the TFNs provided to Ardent Leisure Group by Ardent Leisure Group Securityholders to NewCo (or the Registry) on behalf of the Ardent Leisure Group Securityholders in respect of their tax affairs so that NewCo will not otherwise be required to withhold tax from any dividend payments.

However, a Securityholder may request that Ardent Leisure Group not transfer that Securityholder's TFN to NewCo.

If you would not like Ardent Leisure Group to transfer your TFN to NewCo (and therefore you accept that NewCo may be required to withhold tax at the top marginal tax rate plus Medicare levy on dividends payable to you), please complete the appropriate section of the white TFN non-disclosure sheet and return it to Ardent Leisure Group or write to the Registry before the Effective Date.

If a Securityholder does not indicate on the white TFN non-disclosure sheet or specify otherwise in writing that they do not wish their TFN to be disclosed and collected in accordance with the process discussed above, they are deemed under the terms of the Proposal to agree to such disclosure and collection of their TFN.

11.20 Foreign jurisdictions

The distribution of this Securityholder Booklet outside of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Each of Ardent Leisure Group and NewCo disclaims all liability to such persons.

Securityholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

The offers of securities made pursuant to this Securityholder Booklet are made in compliance with the laws of Australia, and in compliance with all other relevant codes, rules and other requirements that apply to the offers in Australia. Other than as set out below, no action has been taken to register or qualify this Securityholder Booklet or any aspect of the Proposal in any jurisdiction outside of Australia. Nothing in this Securityholder Booklet should be taken to be an invitation, offer, financial promotion, distribution or advice, in relation to any securities or financial product (including Ardent Leisure Group Stapled Securities or NewCo Shares), to any Ineligible Foreign Securityholders.

(a) Canada

The NewCo Shares will be issued by NewCo in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Proposal.

(b) Cayman Islands

No offer or invitation to subscribe for the NewCo Shares may be made to the public in the Cayman Islands.

(c) China

This Securityholder Booklet does not constitute a public offer of NewCo Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The NewCo Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

(d) Czech Republic

The information in this document has been prepared on the basis that all offers of NewCo Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in the Czech Republic, in particular by the Czech Act No. 256/2004 Coll., on Undertaking on the Capital Market, as amended ("Czech Capital Markets Act"), from the requirement to publish a prospectus for offers of securities.

An offer to the public of NewCo Shares has not been made, and may not be made, in the Czech Republic except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Czech Republic, in particular by the Czech Capital Markets Act:

- solely to "qualified investors", i.e., *inter alia*:
 - to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
 - to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
 - to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;
 - to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
 - to any other person considered a "professional customer" (in Czech *profesionální zákazník*) pursuant to Articles 2a (1),(2) and 2b of the Czech Capital Markets Act; or
- to fewer than 150 natural or legal persons (not including "qualified investors") in the EU Member State where the offer is made.

(e) France

This Securityholder Booklet is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The NewCo Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This Securityholder Booklet and any other offering material relating to the Schemes have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France (i) in a transaction that, in accordance with Article L. 411-2-I of the French Monetary and Financial Code and Article 211-2 of the General Regulation of the AMF, does not constitute a public offering of financial securities and/or (ii) to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2°, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the NewCo Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

(f) Hong Kong

WARNING - The contents of this Securityholder Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Proposal. If you are in any doubt about any of the contents of this Securityholder Booklet, you should obtain independent professional advice.

This Securityholder Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Securityholder Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Securityholder Booklet in Hong Kong, other than to persons who are “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Securityholder Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Copies of this Securityholder Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Securityholder Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Ardent Leisure Group Securityholders in connection with the Proposal, and no steps have been taken to register or seek authorisation for the issue of this Securityholder Booklet in Hong Kong.

This Securityholder Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Securityholder Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Securityholder Booklet

to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Proposal by the person to whom this Securityholder Booklet is addressed.

(g) Ireland

This Securityholder Booklet does not constitute a prospectus under any Irish laws or regulations and has not been filed with, or approved by, any Irish regulatory authority as this document has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations").

The NewCo Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations or (ii) to fewer than 150 natural or legal persons who are not qualified investors.

(h) Israel

The NewCo Shares have not been registered, and no prospectus will be issued, under the Israeli Securities Law 1968. Accordingly, the NewCo Shares will only be offered and sold in Israel pursuant to an applicable private placement exemption namely, the offer will be made to no more than 35 offerees.

This Securityholder Booklet and any activities in connection with the Schemes shall not be deemed to be the provision of investment advice or investment marketing services.

If any recipient in Israel of this Securityholder Booklet is not the intended recipient, such recipient should promptly return it to Ardent Leisure Group.

This Securityholder Booklet has not been reviewed or approved by the Israeli Securities Authority in any way.

(i) Japan

The NewCo Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to small number investors. This Securityholder Booklet is for the exclusive use of existing Ardent Leisure Group Securityholders in connection with the Scheme. This document is confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Japan or resident of Japan other than in connection with consideration by Ardent Leisure Group Securityholders of the Schemes.

(j) Kuwait

Unless all necessary approvals from the Kuwait Capital Markets Authority (the "CMA") pursuant to Law No. 7/2010, its Executive Regulations and the various resolutions and announcements issued pursuant thereto have been given in relation to the marketing or sale of the NewCo Shares, then the NewCo Shares may not be offered for sale, nor sold in the State of Kuwait, and then only by a person licensed by the CMA to carry out such activities. No such approvals have been received in respect of the NewCo Shares and no such person has been engaged in connection therewith. Neither this document nor any of the information contained herein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

(k) Luxembourg

The information in this document has been prepared on the basis that all offers of NewCo Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Luxembourg, from the requirement to publish a prospectus for offers of securities.

An offer to the public of NewCo Shares has not been made, and may not be made, in Luxembourg except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Luxembourg:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive), subject to the prior consent of NewCo; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of NewCo Shares shall result in a requirement for the publication by either of NewCo or Ardent Leisure Group of a prospectus pursuant to Article 3 of the Prospectus Directive.

(l) Netherlands

The information in this Securityholder Booklet has been prepared on the basis that all offers of NewCo Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in the Netherlands, from the requirement to produce a prospectus for offers of securities.

An offer to the public of NewCo Shares has not been made, and may not be made, in the Netherlands except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Netherlands:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;

- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II;
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive), subject to the prior consent of NewCo; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of NewCo Shares shall result in a requirement for the publication by either of NewCo or Ardent Leisure Group of a prospectus pursuant to Article 3 of the Prospectus Directive.

The Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") has not reviewed nor approved Securityholder Booklet.



(m) New Zealand

This Securityholder Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). The offer of NewCo Shares under the Schemes is being made to existing Ardent Leisure Group Securityholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Securityholder Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(n) Norway

This Securityholder Booklet has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Securityholder Booklet shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The NewCo Shares may not be offered or sold, directly or indirectly, in Norway except:

- to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation);

- to fewer than 150 natural or legal persons (other than "professional clients"); or
- in any other circumstances provided that no such offer of NewCo Shares shall result in a requirement for the registration, or the publication of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

(o) Singapore

This Securityholder Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of NewCo Shares have not been and will not be registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act, Cap. 289 (the "SFA") will not apply.

This Securityholder Booklet and any other document or material in connection with the offer, sale or distribution, or invitation for subscription, purchase or receipt of NewCo Shares may not be offered, sold or distributed, or be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part XIII of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to NewCo Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

Neither this document nor any copy of it may be taken or transmitted into any country where the distribution or dissemination is prohibited. This document is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

The investments contained or referred to in this document may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither Ardent Leisure Group nor NewCo is in the business of dealing in securities or holds itself out or purports to hold itself out to be doing so. As such, Ardent Leisure Group and NewCo are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

(p) Switzerland

The NewCo Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Securityholder Booklet has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Securityholder Booklet nor any other offering or marketing material relating to the NewCo Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Securityholder Booklet nor any other offering or marketing material relating to the NewCo Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Securityholder Booklet will not be filed with, and the offer of NewCo Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

This Securityholder Booklet is personal to the recipient only and not for general circulation in Switzerland.

(q) United Arab Emirates

Neither this Securityholder Booklet nor the NewCo Shares have been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. Neither Ardent Leisure Group nor NewCo has received authorisation or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the NewCo Shares within the United Arab Emirates. This Securityholder Booklet does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre). No services relating to the NewCo Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre).

In the Dubai International Financial Centre, the NewCo Shares may be offered, and this Securityholder Booklet may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Dubai Financial Services Authority (the "DFSA"). The DFSA has not approved this Securityholder Booklet nor taken steps to verify the information set out in it, and has no responsibility for it.

(r) United Kingdom

Neither this Securityholder Booklet nor any other document relating to the Proposal has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the NewCo Shares.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue of the NewCo Shares has only been communicated, and will only be communicated, in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Ardent Leisure Group. In the United Kingdom, this Securityholder Booklet is being distributed only to, and is directed at, persons to whom it may lawfully be distributed or directed within the circumstances described in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and/or any other persons to whom it may lawfully be communicated (all such persons being referred to as "Relevant Persons").

The investments to which this Securityholder Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Securityholder Booklet or any of its contents.

(s) United States

NewCo and Ardent Leisure Group intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by section 3(a)(10) thereof in connection with the consummation of the Proposal and the issuance of NewCo Shares. Approval of the Proposal by an Australian court will be relied upon by NewCo and Ardent Leisure Group for purposes of qualifying for the section 3(a)(10) exemption.

US securityholders of Ardent Leisure Group should note that the Proposal is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the ASX. The Proposal is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since NewCo is located in Australia and most of its officers and directors are residents of Australia. You may not be able to sue NewCo or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel NewCo and its affiliates to subject themselves to a US court's judgment.

You should be aware that NewCo may purchase securities otherwise than under the Proposal, such as in open market or privately negotiated purchases.

The Securityholder Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Proposal or the accuracy, adequacy or completeness of the Securityholder Booklet. Any representation to the contrary is a criminal offence.

The NewCo Shares to be issued pursuant to the Proposal have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Proposal is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

11.21 Intention of Ardent Leisure Group Directors concerning the businesses of Ardent Leisure Group

It is the present intention of the Ardent Leisure Group Directors following implementation of the Proposal that, other than as described in this Securityholder Booklet, the business of Ardent Leisure Group be continued as it has been before, no major change be made to that business and the present policies of Ardent Leisure Group relating to the employment of its employees will continue.

11.22 Other material information

This Securityholder Booklet includes all information that would be required under section 710 of the Corporations Act as if this Securityholder Booklet was a prospectus offering for subscription the same number of NewCo Shares for which quotation on the ASX is being sought as a result of the Proposal.

Copies of documents lodged with ASIC in relation to NewCo may be obtained from, or inspected at, an ASIC office.

Except as set out in this Securityholder Booklet, so far as the Ardent Leisure Group Directors are aware as at the date of this Securityholder Booklet:

- there is no information material to the making of a decision by a Securityholder in relation to the Schemes being information that is within the knowledge of any Ardent Leisure Group Director or any director of a related body corporate of Ardent Leisure Group at the time of lodging this Securityholder Booklet with ASIC which has not previously been disclosed to Ardent Leisure Group Securityholders, and
- other than as disclosed in this Securityholder Booklet, the financial position of Ardent Leisure Group has not materially changed since 26 June 2018, being the balance date of the last full year accounts for Ardent Leisure Group lodged with ASIC and the ASX.

Deloitte.

Ardent Leisure Group

Independent expert's report and Financial Services Guide

9 October 2018

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Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us. The person who provides the advice is an Authorised Representative (AR) of Deloitte Corporate Finance Pty Limited (DCF), which authorises the AR to distribute this FSG. Their AR number is included in the report which accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

We will receive a fee of approximately \$90,000 exclusive of GST in relation to the preparation of this report. This fee is not contingent upon the success or otherwise of the proposed restructure of Ardent (the **Proposed Restructure**).

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall

performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

Deloitte Touche Tohmatsu has provided other services to Ardent over the past two years, however, none of these services were related to the Proposed Restructure.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer PO Box N250 Grosvenor Place Sydney NSW 1220 complaints@deloitte.com.au Fax: +61 2 9255 8434	Financial Ombudsman Services GPO Box 3 Melbourne VIC 3001 info@fos.org.au www.fos.org.au Tel: 1800 367 287 Fax: +61 3 9613 6399
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What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

9 October 2018

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000

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Member of Deloitte Touche Tohmatsu Limited

The Directors of Ardent Leisure Limited and Ardent Leisure Management Limited in its capacity as responsible entity of the Ardent Leisure Trust
Level 8, 60 Miller Street
North Sydney NSW 2060

9 October 2018

Dear Directors

Re: Independent expert's report

1 Introduction

The shares of Ardent Leisure Limited (**ALL**) and units in Ardent Leisure Trust (**ALT**) are stapled together and traded on the Australian Securities Exchange (**ASX**). Ardent Leisure Management Limited (**ALML**) is the responsible entity of ALT. ALL and ALT, together with their subsidiaries, are collectively known as Ardent Leisure Group (**Ardent**). Ardent has investments and operations in the leisure and entertainment sector in Australia and the United States of America (**US**). These investments are held and managed through a stapled structure. As such, an owner of Ardent securities actually owns a share in ALL, an Australian incorporated company, and a unit in ALT, an Australian trust. The share and unit are 'stapled' together to collectively represent an Ardent security.

On 3 October 2018, Ardent announced a proposal to undertake the following (collectively, the **Proposed Restructure**):

- **The Proposal** – Establish a newly formed entity (**NewCo**) incorporated in Australia which will acquire the shares in ALL and the units in ALT from current holders of the stapled securities of Ardent (**Securityholders**) in return for shares in NewCo. This will be effected through two schemes, comprising a Company Scheme for ALL and a Trust Scheme for ALT (collectively, the **Schemes**). Upon completion of the Schemes, ALL and ALT would become wholly owned by NewCo and be subsequently delisted from the ASX and replaced by NewCo as the listed entity.
- **The Restructure** – Following implementation of the Schemes, an internal restructure will take place which will involve the transfer of all of the shares in ALL and units in ALT from NewCo to a newly established wholly owned subsidiary of NewCo together with a transfer of US based assets of ALL to a second wholly owned subsidiary of NewCo.

The Proposed Restructure will not involve a change in the economic interests held by Securityholders, the underlying businesses and assets of Ardent, or Directors and the management team. There will not be any new funds raised, nor any acquisition or disposal of businesses or assets.

Whilst an independent expert's report is not required to meet any statutory obligations, the directors of Ardent have requested that Deloitte Corporate Finance Pty Limited (**Deloitte Corporate Finance**)

provide an independent expert's report advising whether, in our opinion, the Schemes are in the best interests of the Securityholders.

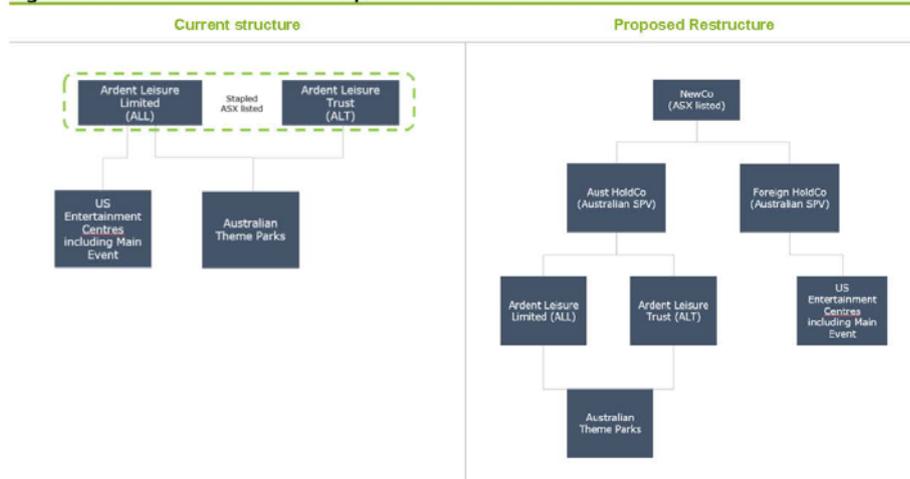
This report is to be included in the Securityholder Booklet to be sent to Securityholders and has been prepared for the exclusive purpose of assisting the Securityholders and no other party in their consideration of the Schemes. Neither Deloitte Corporate Finance, Deloitte Touche Tohmatsu, nor any member or employee thereof, undertakes responsibility to any person, other than the Securityholders and Ardent, in respect of this report, including any errors or omissions however caused.

2 Background to the Proposed Restructure

2.1 Summary of the Proposed Restructure

The figure below illustrates the current structure and Proposed Restructure of Ardent.

Figure 1: Current structure and Proposed Restructure of Ardent



Source: Securityholder Booklet

The Proposed Restructure will be effected through the Schemes and be implemented via the following key steps:

- de-stapling of Ardent stapled securities
- establish NewCo which will become the new ASX listed, head entity of the Ardent group
- a scheme under which NewCo will acquire all the shares in ALL held by eligible Securityholders in exchange for one NewCo share per ALL share held (the **Company Scheme**). The Company Scheme occurs before the Trust Scheme
- a scheme under which NewCo will acquire all the units in ALT held by eligible Securityholders in return for one NewCo share per unit held (the **Trust Scheme**)
- the NewCo shares held by the Securityholders will be consolidated so that each securityholder holds one NewCo share for each stapled security held before the implementation of the Proposed Restructure
- establish two new Australian special purpose vehicles (SPV), Aust HoldCo and Foreign HoldCo, which will be wholly owned subsidiaries of NewCo
- NewCo's shares in ALL and units in ALT are transferred to Aust HoldCo

- the overseas assets of ALL (i.e. the shares in the US holding company which holds the US Entertainment Centres) are transferred to Foreign HoldCo.

Refer to Section 6 and Section 10 of the Securityholder Booklet from more details of the Proposed Restructure.

2.2 Rationale for the Proposed Restructure

The rationale for the Proposed Restructure (as compared to the current stapled structure) is largely driven by the recent shift in Ardent's portfolio towards a growth oriented collection of businesses focused on the US market, and the importance of operating a structure that can facilitate such growth.

The recent divestiture of various Australasian businesses (health clubs, marinas and bowling centres) by Ardent has resulted in the Main Event business (a business operating in the US market) contributing approximately 84% of Ardent's FY18 revenue (excluding discontinued operations). Main Event is more of a growth business as opposed to a yield business. In addition, the opportunities to grow the Queensland theme parks (**Theme Parks**) largely relate to the development of surplus surrounding land and the introduction of new rides and attractions. A stapled structure constrains Ardent's ability to reinvest a higher proportion of its annual profits back into its businesses to fund such growth due to the requirement of ALT to:

- distribute all of its earnings; and
- undertake eligible activities (of which land development is not an eligible activity) in order to maintain its flow through status for Australian tax purposes.

Management considers the Proposed Restructure overcomes these restrictions and therefore provides greater flexibility in funding the growth of Ardent's underlying assets. In addition, the Proposed Restructure is expected to achieve:

- lower compliance, governance and reporting costs associated with its lower complexity
- lower exposure to challenge from the Australian Taxation Office (**ATO**) in relation to arm's length arrangements between ALL and ALT
- structural simplification and potential broader investor appeal.

Management considered the following other alternatives though concluded that the Proposed Restructure is expected to achieve the benefits outlined above in a more cost-effective manner:

- maintaining the current structure
- transferring various assets between ALL and ALT to streamline asset ownership within Ardent
- a restructure where ALL becomes the ultimate holding company of Ardent and acquires ALT
- a restructure where ALT becomes the ultimate holding entity of Ardent and acquires ALL.

2.3 Key conditions of the Proposed Restructure

The Proposed Restructure is subject to a number of material conditions in relation to the Schemes summarised as follows:

- **Securityholder approval:** the resolutions in relation to the Proposal being approved by the requisite majorities of Securityholders
- **Court approval:** the Supreme Court of New South Wales to approve the Company Scheme and give judicial advice to approve the implementation of the Trust Scheme
- **Regulatory approvals:** ASIC and ASX have agreed to grant the necessary ASIC relief and ASX waivers

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- **Listing of NewCo:** approval of the official quotation of NewCo shares on the ASX being obtained and the listing of NewCo on the ASX
- **Injunction:** no other restraining orders, injunctions or other orders issued by any government, semi-governmental, fiscal or judicial body, department, commission, authority, bureau, tribunal, agency or entity
- **Financier consent:** Ardent is required to obtain consent from its lenders.

Ardent has applied for:

- a class ruling from the ATO confirming roll-over relief for Australian tax resident Securityholders, such that any capital gain for tax purposes being realised as a result of the steps of the Proposed Restructure should not trigger a capital gains tax liability for Australian tax residents
- confirmation from Queensland Treasury that the Proposal will attract concessional (rather than ad valorem) rates of stamp duty. This confirmation will be sought after implementation of the Proposal. Whilst currently estimated at approximately \$630,000, the magnitude of this stamp duty liability will be based largely on the market value of the land and relevant fixtures held by ALT at implementation. Accordingly, Ardent will not know the final amount of stamp duty payable in respect of the Proposal until after implementation when the valuations will be undertaken.

Whilst the Proposed Restructure is not conditional on the outcomes of these applications, Management consider the likelihood of an adverse outcome to be low.

In addition, Ardent has applied for a stamp duty exemption for the Restructure. Ardent believes the current policies and practices of Queensland Treasury support the granting of the exemption. However, in the event the exemption is not granted, the Directors will reassess whether or not to proceed in full with the Restructure step of the Proposed Restructure, and have the flexibility under the Implementation Deed to terminate the Restructure.

Further information in relation to these applications is set out in Section 11.15 and Section 11.16 of the Securityholder Booklet.

3 Basis of evaluation

We have prepared this report having regard to Australian Securities and Investments Commission (ASIC) Regulatory Guide 111 *Content of expert reports (RG 111)* and ASIC Regulatory Guide 112 *Independence of experts*.

The RG 111 states that an expert should focus on the substance of the transaction rather than the legal mechanism used to achieve that purpose, and address the issues faced by Securityholders. In doing so, the RG 111 allows for some subjectivity on the part of the expert in respect of how to assess whether a transaction is in the best interests of Securityholders.

While the legal form of the Proposed Restructure, which involves the exchange of securities in Ardent for shares in NewCo, is akin to a change of control transaction, there is not, in substance, any change in control taking place, as the ultimate ownership structure in the assets of the group does not change following implementation. Accordingly, we do not consider it appropriate to analyse the Proposed Restructure as a control transaction. RG 111 provides further guidance on forming an opinion as to whether a transaction is in the best interests of Securityholders. The range of transactions regulated by RG 111 includes transactions not involving a change of control, such as demerger and demutualisation. RG 111 indicates that for these types of transactions, the issue of 'value' (which is fundamental in transactions involving a change of control) is of secondary importance and that the expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages.

In this regard, we consider it appropriate to assess whether the Proposed Restructure is in the best interests of Securityholders by evaluating:

- whether the advantages of the Proposed Restructure outweigh the disadvantages to Securityholders
- the strategic rationale of the Proposed Restructure
- alternatives available to Securityholders.

3.1 Individual circumstances

We have evaluated the Proposed Restructure as a whole and have not considered the effect of the transaction on the particular circumstances of individual Securityholders. Due to their particular circumstances, individual Securityholders may place a different emphasis on various aspects of the Proposed Restructure from that adopted in this report. Accordingly, they may reach different conclusions to ours on whether the Proposed Restructure is in their best interests.

If in doubt Securityholders should consult an independent adviser, who should have regard to their individual circumstances.

Securityholders classified as Ineligible Foreign Securityholders should consult Section 10.3 of the Securityholder Booklet.

3.2 Limitations and reliance on information

The opinion of Deloitte is based on economic, market, regulatory, fiscal and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. This report should be read in conjunction with the declarations outlined in Appendix 2.

Our procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (AUASB) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

4 Profile of Ardent

4.1 Overview

Listed on the ASX, Ardent is a dual-stapled security comprising ALL and ALT. Owned by ALL, ALML is the responsible entity of ALT. Ardent invests in and operates leisure and entertainment businesses in Australia and the US. Ardent's asset portfolio comprises a number of leisure entertainment businesses, as outlined in the table below.

Table 1: Ardent's portfolio

Entertainment businesses	
Dreamworld (AU)	Opened in 1981 on the Gold Coast, Queensland, Dreamworld is one of Australia's premier tourist attractions with thrill rides and attractions, wildlife and precincts dedicated to DreamWorks Animation, The Wiggles, ABC KIDS, Tiger Island and Dreamworld Corroboree.
WhiteWater World (AU)	Opened in 2006, WhiteWater World is a water ride park located next to Dreamworld, with an Aussie beach paradise theme.
Skypoint Observation Deck and Skypoint Climb (AU)	Located on levels 77 and 78 of the Q1 Building in Surfers Paradise, it is the only observation deck which gives visitors a bird's eye view of the Gold Coast. The Skypoint Climb is Australia's highest external climb, offering sunrise, day and night climbs, and climb and dine packages.
Main Event (US)	Established in 1998, the Main Event comprises a portfolio of 41 indoor entertainment centres across 16 states in the US, spanning bowling, laser tag, high ropes adventure courses, billiards, video games and dining.

Source: Ardent website

Key milestones in the history of Ardent are outlined in the figure below.

Figure 2: History of Ardent

1998	<ul style="list-style-type: none"> February 1998: The Macquarie Leisure Trust (now ALT) was established and managed by Macquarie Leisure Management Limited (now ALML), a wholly owned subsidiary of Macquarie Bank Limited July 1998: ALT listed on the ASX. Acquired Dreamworld theme park in Queensland and Antarctic Adventure edu-tainment centre in Tasmania, which held a 40% interest in the operator, Omni Leisure Operations Limited (Omni)
2000	<ul style="list-style-type: none"> January 2000: ALT purchased the d'Albora Marinas located at The Spit (Sydney), Rushcutters Bay (Sydney), Akuna Bay (Sydney) and Nelson Bay (Central Coast) in NSW. Omni was the operator June 2000: Antarctic Adventure was divested
2003	<ul style="list-style-type: none"> July 2003: A restructure was undertaken to internalise the operator of ALT's assets (Omni). A new company, Macquarie Leisure Operations Limited (now ALL) was formed which acquired the remaining 60% of Omni. ALL leased the assets from ALT. ALL and ALT traded on the ASX as a stapled security
2004	<ul style="list-style-type: none"> Acquisition of d'Albora Marinas (Cabarita Marina in Sydney and Pier 35 Marina in Melbourne)
2005	<ul style="list-style-type: none"> February 2005: Acquisition of AMF Bowling Centres in Australia and BowlAustralia Holdings Pty Limited (three leasehold bowling centres in NSW and ACT)
2006	<ul style="list-style-type: none"> August 2006: Main Event business was acquired December 2006: WhiteWater World opened
2007	<ul style="list-style-type: none"> Kingpin Bowling and Goodlife Health Clubs businesses were acquired
2009	<ul style="list-style-type: none"> Internalisation of management occurred where ALL purchased 100% of the equity in Macquarie Leisure Management Limited (now ALML) Acquisition of SkyPoint Observation Deck
2012	<ul style="list-style-type: none"> October 2012: Acquisition of Fenix Fitness Clubs January 2012: Design and construction of SkyPoint Climb
2014	<ul style="list-style-type: none"> September 2014: Acquisition of Fitness First WA Portfolio
2016	<ul style="list-style-type: none"> October 2016: Goodlife Health Clubs business was sold. Dreamworld incident which resulted in four fatalities
2017	<ul style="list-style-type: none"> August 2017: d'Albora Marinas business was sold
2018	<ul style="list-style-type: none"> April 2018: Australasian Bowling & Entertainment business was sold (Zone Bowling Centres, Kingpin Bowling, Playtime).

Source: Board Presentation, publicly available information

4.2 Capital structure

The following table summarises the substantial shareholders and their interest in Ardent as at 21 August 2018.

Table 2: Ardent's substantial securityholders as at 21 August 2018

Name	Number of stapled securities (m)	% stapled securities on issue
Viburnum Funds Pty Ltd	53.9	11.4%
The Ariadne Substantial Holder Group	51.1	10.8%
Sumitomo Mitsui Trust Holdings Inc	42.0	8.9%
FIL Ltd	40.5	8.6%
JCP Investment Partners Ltd	29.0	6.1%
Total substantial Securityholders	216.5	45.9%
Other shareholders	254.9	54.1%
Total stapled securities on issue	471.3	100.0%
Foreign Securityholders	82.9	17.6%

Source: Annual Report 2018, Management

As at 5 September 2018, Ardent also had 2,105,118 Performance Rights on issue in respect of long-term incentive plans (**LTIP**) and deferred short-term incentive plans (**DSTI**) as outlined below. The LTIP has vesting tranches over 2, 3 and 4 years, whilst the DSTI has vesting tranches over 1 and 2 yrs.

Table 3: Performance rights

	Number of participants	Total Performance Rights
LTIP	45	1,952,200
DSTI	13	152,918
Total	58	2,105,118

Source: Ardent

4.3 Security price performance

Ardent's price movements and trading volumes from 1 July 2016 to 22 August 2018 are presented graphically in the figure below.

Figure 3: Security price movements to 22 August 2018



Source: S&P Capital IQ, Deloitte Corporate Finance analysis

Ardent's security price performance in late 2016/early 2017 was largely impacted by the Dreamworld incident on 25 October 2016. Its security price declined 8.5% immediately following the incident, followed by subdued performance thereafter likely resulting from the 45 day shutdown period, asset impairments, increased expenditure on safety, a slow recovery in the operating performance of Dreamworld, and the potential for liabilities resulting from legal action related to the Dreamworld incident.

Over the last 18 months, trading performance has been subdued which is likely to have been driven by the uncertainty associated with the recovery of Dreamworld and potential litigation, corporate activity and Ardent's reduced earnings base following the divestment of a number of businesses (marinas, health clubs and bowling centres).

4.4 Governance

The current directors of ALL and ALML are set out in the table below.

Table 4: Current directors of ALL and ALML

Name	Role	Period of directorship	Securities held
Gary Weiss	Non-executive Chairman	Since September 2017	55,494,054 ¹
Randy Garfield	Director	Since August 2017	Nil
David Haslingden	Director	Since July 2015	160,000
Don Morris AO	Director	Since January 2012	13,950
Brad Richmond	Director	Since September 2017	48,450
Toni Korsanos	Director	Since July 2018	Nil
Total			55,716,454

Source: FY18 Financial report, Appendix 3Y dated 7 September 2018

Notes:

1. Gary Weiss does not personally hold Ardent securities. His indirect interest arises through his position as Director of entities holding an interest in Ardent (Portfolio Services Pty Ltd (on behalf of Ariadne Australia Limited as beneficial owner)), and entities holding an interest in Ardent which are associated with Portfolio Services Pty Ltd by way of cooperation with respect to their interests in Ardent.

The current directors of ALL and ALML own and indirectly control approximately 55.7 million securities in Ardent, representing 11.8% of the total securities on issue.

4.5 Financial performance

Ardent's consolidated earnings for the years ended 30 June 2016 (FY16), 30 June 2017 (FY17) and 30 June 2018 (FY18) are summarised in the table below.

Table 5: Consolidated earnings

\$'m	Audited FY16	Audited FY17	Annualised FY18 ¹
Revenue			
Main Event	239.0	299.5	360.2
Theme Parks	107.6	70.9	69.9
Other ²	341.1	214.5	125.1
Total revenue	687.7	584.9	555.2
Core EBITDA³			
Main Event	59.2	61.0	68.0
Theme Parks	34.7	(3.4)	(4.8)
Other	58.5	34.8	18.0
Other (corporate)	(15.1)	(16.3)	(13.1)
Total Core EBITDA	137.3	76.1	68.1
Abnormal expenses			
Impairment - Investments and assets	(0.3)	(89.6)	(119.5)
Dreamworld incident costs (net)	-	(5.4)	(6.1)
Pre-opening expenses	(7.5)	(13.9)	(6.5)
Net gain/(loss) from sale of business/assets	(0.2)	40.4	22.8
Restructuring and other non-recurring expenses	(21.2)	(6.4)	(9.3)
Total abnormal expenses	(29.3)	(74.9)	(118.6)
Statutory EBITDA			
	108.0	1.2	(50.4)
Depreciation and amortisation	(42.2)	(55.0)	(56.4)
Borrowing costs (net)	(14.7)	(12.1)	(10.3)
Income tax benefit/(expense)	(8.7)	3.3	28.5
Net profit/(loss) after tax	42.4	(62.6)	(88.6)

Source: FY18 Results Presentation, Preliminary FY17 Operating Performance Strategic Update and Priorities dated August 2017, FY17 financial report

Notes:

1. Annualised FY18 represents the financial performance of Ardent from 1 July 2017 to 30 June 2018
2. In FY18, 'Other' includes revenue of the Marinas and Australasian Bowling & Entertainment businesses
3. Per Preliminary FY17 Operating Performance Strategic Update and Priorities dated August 2017, core EBITDA is unaudited and excludes pre-opening expenses, straight-lining of fixed rent increases, increase/decrease in onerous lease provisions, property revaluations, unrealised gains/losses on derivative financial instruments, loss on closure of bowling centres and disposal of other fixed assets, gain on sale and leaseback of family entertainment centres, business acquisition costs, selling costs associated with sale of businesses, significant one-off costs and restructuring expenses

Total revenue declined over the last two years driven largely by the sale of various businesses (marinas, health clubs and bowling centres), and to a lesser extent, underperformance of Dreamworld as a consequence of the drop in visitation following the fatal incident in October 2016. This was partially offset by the growth of the Main Event portfolio from 27 centres in FY16 to 41 centres currently.

Underlying operating performance (as denoted by Core EBITDA) declined across all segments, particularly for Theme Parks which was impacted by the closure of Dreamworld post incident as well as lower visitation thereafter (35.3% reduction in attendance for 2HFY17 over 2HFY16). For Main Event, margins declined as a consequence of a slower ramp-up of new centres in FY17 (given the fixed cost nature of business) and underperformance of five centres and the impact of Hurricane Harvey in FY18. Other operations were marginally impacted by the closure of a number of bowling centres for either refurbishment or permanent closure, and sale of various businesses.

The Dreamworld incident and underperformance at five Main Event centres resulted in material asset impairments across FY17 and FY18. This was partially offset by net gains achieved on the sale of the Goodlife Health Clubs business in FY17, and the Australasian Bowling & Entertainment and Marinas businesses in FY18.

In light of the reduction in Ardent's portfolio, and the Proposed Restructure to simplify the business, management expect ongoing annual head office costs to be in the order of \$10m.

Whilst the annualised figures above include Australian businesses that have now been disposed, the US business (Main Event) now represents 84% of revenue (excluding discontinued operations) and almost all of the core EBITDA. This is a material increase relative to FY16 when only 35% of revenue and 43% core EBITDA related to the US based business.

The income tax benefit in FY18 is largely attributable to the losses incurred for the year and the revaluation of US deferred tax balances in connection with the lowering of the US corporate income tax rate due to US tax reforms.

4.6 Financial position

The balance sheet of Ardent as at 30 June 2016, 30 June 2017 and 26 June 2018 are summarised in the table below.

Table 6: Consolidated financial position

\$'m	30 June 2016	30 June 2017	26 June 2018
Cash and cash equivalents	9.1	10.8	16.5
Receivables	13.3	5.4	12.0
Inventories	13.0	13.3	8.2
Assets classified as held for sale	112.9	120.7	-
Construction in progress inventories	61.8	56.8	24.2
Property, plant and equipment	683.8	636.4	455.7
Intangible assets	246.1	96.6	70.3
Deferred tax assets	6.0	11.5	20.8
Other	11.7	22.7	13.4
Total assets	1,157.6	974.2	621.1
Payables, employee benefits, other creditors	106.4	103.0	101.7
Construction in progress deposits	55.5	50.1	22.4
Interest bearing liabilities - current	-	54.5	-
Interest bearing liabilities - non-current	312.9	178.2	27.8
Deferred tax liabilities	33.5	36.8	17.1
Other	29.3	20.1	8.0
Total liabilities	537.6	442.5	177.0
Net assets	620.0	531.7	444.1

Source: Ardent's financial reports

The reduction in Ardent's net assets over the last two years is largely driven by investment/asset write downs resulting from the underperformance of Dreamworld and five Main Event centres.

Property, plant and equipment includes an amount of \$78.5m being attributable to the Dreamworld/WhiteWater World business based on an independent valuation. The independent valuer attributed a value of \$60m to the land component of Dreamworld/WhiteWater World on an existing use basis.

Ardent maintains debt facilities denominated in both AUD (\$66.7m facility limit) and USD (\$76.2m facility limit), which mature in August 2019. These facilities were retained to fund the capital expenditure and working capital requirements of the Main Event and Theme Park businesses.

Construction in progress inventories relate to new Main Event centres being constructed by Ardent but held for resale under agreements with a third parties. Costs funded by the third party during the course of construction are recorded as a current liability.

Contingent liabilities include possible prosecution action under the prevailing workplace health and safety legislation, however formal proceedings have not been instigated against ALL at the date of this report and civil claims made by families and other affected persons are being dealt with by ALL's liability insurer. Ardent has not quantified these contingent liabilities given such uncertainty but noted that ALL maintains appropriate insurances to respond to litigation and regulatory action and a proportion of the associated costs. Further, NewCo has irrevocably agreed, with effect from implementation of the Proposal, to guarantee the liabilities of ALL that may arise in respect of the Dreamworld incident.

The relative proportion of assets located in the US has increased from \$357.8m (30.9% of total assets) as at 30 June 2016 to \$462.1m (74.4% of total assets) as at 26 June 2018.

4.7 Distributions

Since 2016, Ardent declared unfranked distributions on a half-yearly basis largely comprising pre-tax income and return of capital from ALT. Return of capital from ALT was not immediately subject to capital gains tax in the hands of Securityholders but reduced the cost base of the stapled securities, resulting in taxation on a deferred basis by Securityholders subject to Australian capital gains tax.

Distributions declared by Ardent for the last four financial years are presented in the table below.

Table 7: Ardent's distributions

cents per security	FY15	FY16	FY17	FY18
December first half	7.00	7.00	2.00	2.00
June second half	5.50	5.50	1.00	6.50
Total annual distributions	12.50	12.50	3.00	8.50

Source: Ardent's financial reports

Ardent's distributions were adversely impacted in FY17 by the Dreamworld incident. Whilst distributions partially recovered in FY18, full recovery is expected to be tempered by the reduction in underlying earnings caused by the divestment of various businesses over the last two years.

Ardent maintains a dividend reinvestment plan (**DRP**) under which Securityholders may elect to have all or part of their distribution entitlements satisfied by the issue of new securities rather than being paid in cash. The discount available on the stapled securities under the DRP is 2% on the volume weighted average market price traded on the ASX during the 10 business days from and including the ex-distribution date.

4.8 Strategy and outlook

The sale of Goodlife Health Clubs, Marinas and Australasian Bowling & Entertainment businesses has resulted in the Theme Parks and Main Event businesses becoming major drivers of growth for Ardent.

The FY19 plans for the Main Event business include the improvement in guest experience and roll-out of new centres. Management will focus on building walk-in traffic via optimising service offerings and growing the events business (e.g. birthday parties). With respect to centre rollout, management seek to identify quality real estate sites in priority trade areas, as well as develop centres in existing trade areas and new markets (such as malls). The target is for between five to eight new centres a year (as compared to four centres being opened in FY18).

For the Theme Parks business, management expect the recovery from the Dreamworld incident to continue in FY19. Recommendations from the coronial inquiry are expected sometime in 2019. Management plan to focus on restoring consumer confidence and improve guest experience through the development of new rides and attractions, the promotion of major events and continued significant investment in safety systems and improvements. In addition, management continues to assess the potential of surrounding surplus land.

5 NewCo

5.1 Overview of NewCo

NewCo has been incorporated in Australia and will be listed on the ASX.

The rights attaching to the NewCo shares are set out in the NewCo Constitution, which per the Securityholder Booklet, are substantially the same as the existing ALL Constitution. In addition, being a company incorporated in Australia, NewCo will also be governed by the Corporations Act and being an entity listed on the ASX, NewCo will also have certain obligations under the ASX Listing Rules.

The board of directors of NewCo will comprise the current directors of Ardent. Ardent intends to continue to have substantially the same corporate governance arrangements, remuneration policies and employee arrangements and employee equity schemes.

Ardent will seek to change the current DSTI and LTIP so that participants would be entitled to receive (upon any future vesting) NewCo shares rather than Ardent stapled securities.

5.2 Financial impact of Proposed Restructure

The following table outlines the impact of the Proposed Restructure on the consolidated income statement and balance sheet of Ardent assuming it was implemented from 1 July 2017 (beginning of FY18), respectively, as shown in the following tables.

Table 8: Impact on consolidated balance sheet as at 26 June 2018

\$'m	26 June 2018	Taxation adjustments	Cost of proposal	Proforma 26 June 2018
	A	B	C	D = A+B+C
Cash and cash equivalents	16.5	-	(3.0)	13.5
Other current assets	54.8	-	-	54.8
Property, plant and equipment	455.7	-	-	455.7
Deferred tax assets	20.8	(3.0)	0.7	18.5
Other non-current assets	73.3	-	-	73.3
Current liabilities	129.4	-	-	129.4
Non-current liabilities	47.6	-	-	47.6
Net assets	444.1	(3.0)	(2.3)	438.9

Source: Securityholder Booklet

The following adjustments have been made to the balance sheet of Ardent as at 26 June 2018:

- as ALT will become a member of a tax consolidated group following the implementation of the Proposed Restructure (with NewCo as the head company), Ardent will be required to recognise current and deferred tax balances in its balance sheet and an associated tax expense or benefit in its income statement and in recognition of the net taxable income of ALT (\$3.0m). These calculations do not assume any potential shift in the value of ALT's assets between 26 June 2018 and the date of the implementation of the Proposed Restructure, which is likely to be driven by a change (if any) in the market value of Dreamworld/WhiteWater World
- the reduction in cash relates to transaction costs (\$3.0m) incurred by Ardent to implement the Proposed Restructure, with the associated tax deduction (\$0.7m) increasing the deferred tax assets due to Ardent's tax loss position.

Table 9: Impact on income statement

\$'m	Annualised 1 July 17 to 30 June 18	As Reported 1 July 17 to 26 June 2018	Adjustments to AS Reported	Proforma 1 July 17 to 26 June 2018
		A	B	C = A+B
Statutory EBITDA	(50.4)	(54.0)	0.3	(53.7)
Depreciation and amortisation	(56.4)	(55.9)	-	(55.9)
Borrowing costs (net)	(10.3)	(10.2)	-	(10.2)
Income tax benefit/(expense)	28.5	29.4	28.4	57.8
Net profit/(loss) after tax	(88.6)	(90.7)	28.7	(62.0)

Source: Securityholder Booklet, Audited Financials

The following adjustments have been made to the income statement of Ardent for the reported period from 1 July 2017 to 26 June 2018:

- income tax benefit (\$28.4m) as a result of ALT becoming a member of a tax consolidated group. Its net taxable income will be subject to tax in NewCo's hands
- the simplification of the group structure is expected to result in external cost savings associated with financial reporting, custodian arrangements, regulatory and compliance (\$0.3m).

5.3 Future dividends

In the event of the Proposed Restructure is implemented, future distributions are expected to be:

- entirely paid as dividends by NewCo. Consequently, NewCo does not intend to regularly pay capital returns to Securityholders
- discretionary as NewCo is a corporate entity and not subject to the flow-through requirements of a trust such as ALT.

Further, the availability of franking credits will be dependent on business performance and the utilisation of tax losses over the next few years.

6 Key advantages of the Proposed Restructure

Set out below are what we consider to be the key advantages of the Proposed Restructure:

The Proposed Restructure provides greater flexibility to fund the growth of Ardent

The current stapled structure was suitable at a time when Ardent held stable, yield generative investments, as the stable earnings from these investments could flow through to Securityholders via pre-tax distributions from ALT. However, the recent divestiture of health clubs, marinas and bowling centre businesses in Australasia has resulted in a shift toward growth orientated businesses focused in the US. The increased revenue weighting towards the US based Main Event business (84% of Ardent, excluding discontinued operations), combined with the land development potential of Theme Parks, will require a higher proportion of Ardent's annual profits to be reinvested to fund such growth.

Under the stapled structure, ALT is constrained by its requirement to distribute all of its earnings, and undertake eligible activities (of which land development may not be an eligible activity) in order to maintain its flow through status. The Proposed Restructure removes this requirement, thereby providing greater flexibility with respect to capital management.

The Proposed Restructure reduces tax risks associated with stapled structures

On 20 September 2018, the *Treasury Laws Amendment (Making Sure Foreign Investors Pay Their Fair Share of Tax and Other Measures) Bill 2018* was introduced into Parliament. The proposed changes are expected to commence on 1 July 2019. Very broadly, the rules target stapled structures (such as the current structure used by Ardent) and, where applicable, has the effect of increasing the withholding tax rate on fund payments made to foreign investors in ALT from 15% to the highest corporate tax rate (currently 30%). The Proposed Restructure should alleviate the risk of these proposed new rules applying as Ardent will be destapled following the Proposed Restructure and both sides of the existing stapled structure will become part of the one tax consolidated group.

The Proposed Restructure is less complex and requires lower costs to maintain

The Proposed Restructure will result in a less complex structure which is expected to result in lower compliance, governance and reporting costs. For example, ALT is currently required to be a registered managed investment scheme, which involves additional compliance costs such as the requirement for ALML (the responsible entity of ALT) to maintain an Australian financial services licence and the need to have a separate custodian for ALT assets.

The Proposed Restructure is likely to make Ardent more attractive to investors

The Proposed Restructure will simplify the corporate structure of Ardent and Securityholders will hold their investment in Ardent through shares in one entity only (being NewCo) rather than both shares and units in a stapled structure. This is likely to make it easier for Securityholders to understand the financial performance of the business and administer their holdings.

In addition, whilst stapled structures are not unique to Australia, they are not widely adopted globally. Such unfamiliarity to foreign investors, combined with its complexity, may have adversely affected Ardent's ability to attract investment from foreign investors or other investors restricted in investing in such structures. The Proposed Restructure will remove such impediments to investment and could make Ardent more attractive to investors overall.

The Proposed Restructure may result in a rerating of Ardent as a growth rather than yield investment

Since the Proposed Restructure will remove the flow through constraint on ALT and provide greater flexibility in Ardent's ability to fund growth, it is possible that the investment community may rerate Ardent as a growth rather than a yield investment. This may result in an uplift in the security price as more growth potential associated with Main Event and the Theme Parks would likely be priced in by investors.

The Proposed Restructure is superior to other alternatives available to Ardent

Management considered the following alternatives to the Proposed Restructure:

1. Do nothing
2. Transfer various assets between ALL and ALT to streamline asset ownership within Ardent
3. A restructure where ALL becomes the ultimate holding company of Ardent and acquires ALT

4. A restructure where ALT becomes the ultimate holding entity of Ardent and acquires ALL.

Our opinion on the Proposed Restructure discounts the merits of doing nothing. With respect to alternatives 2 - 4, we are of the view that the steps contemplated under the current Scheme are the most straightforward way of achieving the desired outcomes. This implies the Proposed Restructure is superior to the available alternatives.

7 Key disadvantages of the Proposed Restructure

Set out below are what we consider to be the key disadvantages of the Proposed Restructure:

Possible adverse impact from resetting of tax base of ALT joining the NewCo tax consolidated group

NewCo will be required to set the tax costs of the assets of ALT when ALT joins the NewCo tax consolidated group. Analysis undertaken by Ardent's tax advisor suggests that, as a result of this process, (amongst other things) the tax costs of Ardent's:

- depreciating assets will likely reduce; and
- non-depreciating assets (e.g. land) will likely increase.

This is expected to result in a reduction in the total tax depreciation deductions to NewCo following the implementation of the Proposed Restructure. Whilst this is likely to increase taxable income, its impact should be mitigated by, amongst other factors, NewCo being able to utilise the tax losses of ALL.

Transaction costs

The process of implementing the Proposed Restructure involves one-off transaction costs. The estimated costs for the Proposed Restructure are in the order of \$3m. These costs include stamp duty (refer below), legal costs in the 'top-hat' and de-stapling phases and professional fees associated with the investigating accountant's report, obtaining Australian tax opinions and assistance with rulings applications to revenue authorities. The majority of these costs will be incurred by the date of the meetings to approve the Proposed Restructure, regardless of whether it is actually implemented.

Exposure to the risk of unfavourable regulatory rulings

Ardent is seeking, or intends to seek, the following rulings of which the outcomes will not be known prior to the Securityholders voting on the Proposed Restructure:

- a class ruling from the ATO confirming roll-over relief is available for Australian tax resident Securityholders, such that any capital gain arising under the steps of the Proposed Restructure should be disregarded at the time of implementation if the Australian tax resident Securityholder chooses that such rollover relief applies; and
- confirmation from Queensland Revenue that the Proposal will attract concessional (rather than ad valorem) rates of stamp duty, which is currently estimated at approximately \$630,000 (included in the estimated transaction costs of \$3m referred to above). However, the magnitude of this stamp duty liability will be based largely on market value of the land and relevant fixtures held by ALT at implementation. Independent values will be sought to support the values and the amount of the stamp duty payable.

As the outcome of these rulings will not be known before the date of the meeting, Ardent and the Securityholders will be exposed to the risk of an unfavourable ruling should it occur.

The application for exemption of stamp duty on the Restructure is expected to be known before the date of the meeting. The current policies and practices of Queensland Revenue support the granting of the exemption. However, if the exemption is not granted, the magnitude of the potential stamp duty impost may not justify the Restructure taking place. In that case, the Directors will reassess whether or not to proceed in full with the Restructure step of the Proposed Restructure but they will still proceed with the Proposal step. As such, the benefits of the Proposal (such as greater funding flexibility and lower tax risk) are likely to still apply. That being said, based on past experience, it is expected that the Queensland Revenue should grant the exemption for the Restructure.

Change in composition of future distributions may not suit all investors

Distributions paid by Ardent have historically comprised of distributions (of income and capital) by ALT. Under the Proposed Restructure, distributions will generally take the form of a dividend which:

- will be dependent on the financial position and capital requirements of NewCo
- will be at the discretion of the Board of Ardent
- ordinarily would not include any returns of capital.

The tax treatment of trust income distributions and dividends received by securityholders in Australia and overseas jurisdictions differs. This may not suit all investors, particularly where investors are not able to obtain the benefit of any additional franking credits to the extent those are available for distribution by NewCo as part of any future dividend payment.

8 Opinion

We note that many of the advantages and disadvantages of the Proposed Restructure by their very nature are difficult to quantify. However, through a qualitative assessment, in our opinion, the Proposed Restructure is in the best interests of Securityholders. In arriving at this opinion, we have concluded that the advantages of the Proposed Restructure outweigh its disadvantages.

Even if the Restructure does not occur, in our opinion the advantages of the Proposal outweigh the disadvantages of the Proposal and, on that basis, we have also concluded that the Proposal is in the best interests of Ardent Leisure Group Securityholders.

An individual Securityholder's decision in relation to the Proposed Restructure may be influenced by his or her particular circumstances. If in doubt the Securityholder should consult an independent adviser, who should have regard to their individual circumstances.

Yours faithfully



Tapan Parekh
Authorised Representative (AR Number: 461009)
Deloitte Corporate Finance Pty Limited

Appendix 1: Glossary

Reference	Definition
\$ or AUD	Australian dollars
ALL	Ardent Leisure Limited
ALML	Ardent Leisure Management Limited
ALT	Ardent Leisure Trust
Ardent	ALL and ALT, together with their subsidiaries
ASIC	The Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Company Scheme	A scheme under which NewCo will acquire all the shares in ALL held by eligible Securityholders in exchange for one NewCo share per ALL share held
Deloitte	Deloitte Touche Tohmatsu
Deloitte Corporate Finance	Deloitte Corporate Finance Pty Limited
DSTI	Deferred short-term incentive plans
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY	Financial year
HY	Half-year
LTIP	Long-term incentive plans
NewCo	A newly formed head entity incorporated in Australia of the Ardent group
Omni	Omni Leisure Operations Limited
Proposal	Establishment of NewCo which will acquire the shares in ALL and the units in ALT from Securityholders in return for shares in NewCo. This will be effected through the Schemes. Upon completion of the Schemes, ALL and ALT would become wholly owned by NewCo and be subsequently delisted from the ASX and replaced by NewCo as the listed entity.
Proposed Restructure	Comprises the Proposal and the Restructure.
Restructure	Following implementation of the Schemes, an internal restructure will take place which will involve the transfer of all of the shares in ALL and units in ALT from NewCo to Aust HoldCo, and the transfer of US based assets of ALL to Foreign HoldCo.
RG 111	ASIC Regulatory Guide 111 <i>Content of expert reports</i>
Schemes	the Company Scheme and the Trust Scheme through which the Proposal is effected
Securityholders	Current holders of the stapled securities of Ardent
Theme Parks	Dreamworld, WhiteWater World, Skypoint Observation Deck and Skypoint Climb
Trust Scheme	A scheme under which NewCo will acquire all the units in ALT held by eligible Securityholders in return for one NewCo share per unit held
US	United States of America
USD	US dollars

Appendix 2: Context to the report

Purpose of the report

Deloitte Corporate Finance was asked to prepare an Independent Expert's Report addressed to the Directors of Ardent and for the benefit of the Securityholders and has an engagement letter dated 26 July 2018. The scope of services is an evaluation of the Proposed Restructure.

The report represents solely the expression by Deloitte Corporate Finance of its opinion as to whether the Proposed Restructure is in the best interests of the Securityholders as a whole.

Limitations, qualifications, declarations and consents

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte Corporate Finance has relied upon the completeness of the information provided by Ardent and its officers, employees, agents or advisors (as set out below in 'Sources of Information'). Deloitte Corporate Finance does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. A draft of our report was provided to management of Ardent for confirmation of factual accuracy.

In recognition that Deloitte Corporate Finance may rely on information provided by Ardent and its officers, employees, agents or advisors, Ardent has agreed that it will not make any claim against Deloitte Corporate Finance to recover any loss or damage which they may suffer as a result of that reliance and that it will indemnify Deloitte Corporate Finance against any liability that arises out of either Deloitte Corporate Finance's reliance on the information provided by Ardent and its officers, employees, agents or advisors or the failure by and its officers, employees, agents or advisors to provide Deloitte Corporate Finance with any material information relating to the Proposed Restructure.

Deloitte Corporate Finance holds the appropriate Australian Financial Services licence to issue this report and is owned by the Australian Partnership Deloitte Touche Tohmatsu. The employee of Deloitte Corporate Finance principally involved in the preparation of this report was Tapan Parekh, Partner, M.Com, B.Bus, F.Fin, CA (BV Specialist). Tapan has many years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Deloitte will receive a fee for preparing this report. This fee is not contingent on the conclusion, content or future use of our report.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 225 George Street, Sydney, NSW, 2000 acknowledges that:

- Ardent proposes to issue a Securityholder Booklet in respect of the Proposed Restructure
- the Securityholder Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Securityholder Booklet for review
- it is named in the Securityholder Booklet as the 'independent expert' and the Securityholder Booklet includes its independent expert's report in Annexure A of the Securityholder Booklet.

On the basis that the Securityholder Booklet is consistent in all material respects with the draft Securityholder Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Securityholder Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Annexure A of the Securityholder Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Securityholder Booklet is issued in hard copy or electronic format or both.

Deloitte Corporate Finance Pty Limited has not authorised or caused the issue of the Securityholder Booklet and takes no responsibility for any part of the Securityholder Booklet, other than any references to its name and the independent expert's report as included in Annexure A.

Sources of information

In preparing this report we have had access to the following principal sources of information:

- draft copies of the Securityholder Booklet
- audited financial reports and results presentations of Ardent for the years ended 30 June 2016, 30 June 2017 and 26 June 2018
- website of Ardent (www.ardentleisure.com)
- share register analysis
- management/board presentations and company strategy documents
- valuation reports of certain assets
- draft legal due diligence reports in respect of the Proposed Restructure
- external advice received by Ardent in relation to the tax implications of the Proposed Restructure
- S&P Capital IQ
- publicly available information including Ardent's ASX releases.

In addition, we had discussions and correspondence with certain directors (Gary Weiss, Chairman; Toni Korsanos, Director) and executives (Paul Abela, Head of Tax; Chris Todd, Group General Counsel; and Jose de Sacadura, Group General Manager Finance) and advisors (PricewaterhouseCoopers, Tax; Gilbert & Tobin, Legal) of Ardent in relation to the above information and current operations and prospects.

Deloitte.

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Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

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10 October 2018

The Board of Directors
Ardent Leisure Management Limited,
as Responsible Entity for Ardent Leisure Trust

The Board of Directors
Ardent Leisure Limited

Level 16, 61 Lavender Street
Milsons Point NSW 2061

Dear Directors

**PART 1 - INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION
AND PRO FORMA HISTORICAL FINANCIAL INFORMATION**

1. Introduction

We have been engaged by Ardent Leisure Management Limited as Responsible Entity of Ardent Leisure Trust and Ardent Leisure Limited ("Ardent Leisure Group" or the "Group") to report on the historical financial information and pro forma historical financial information of the Ardent Leisure Group for inclusion in the securityholder booklet to be dated on or about 10 October 2018 ("Securityholder Booklet"), and to be issued by Ardent Leisure Group, in respect of the proposal for a restructure under which a new company called Ardent Leisure Group Limited will become the single head entity of Ardent Leisure Group (the "Proposal").

Expressions and terms defined in the Securityholder Booklet have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence under the *Corporations Act 2001*. Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services") holds an appropriate Australian Financial Services Licence (AFS Licence Number 240585). Gavin Sultana is a Director and Representative of Ernst & Young Transaction Advisory Services. We have included our Financial Services Guide as Part 2 of this report.

2. Scope

Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following historical financial information of Ardent Leisure Group:

- ▶ the historical consolidated balance sheet as at 26 June 2018 as set out in section 8.3 of the Securityholder Booklet;
- ▶ the historical consolidated income statement for the year ended 26 June 2018 as set out in section 8.4 of the Securityholder Booklet; and
- ▶ the historical consolidated statement of cash flows for the year ended 26 June 2018 as set out in section 8.5 of the Securityholder Booklet.

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(Hereafter the "Historical Financial Information").

The Historical Financial Information has been derived from the consolidated financial statements of Ardent Leisure Group for the year ended 26 June 2018, which were audited by Ernst & Young in accordance with Australian Auditing Standards. Ernst & Young issued an unqualified audit opinion on these financial statements.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS").

Pro Forma Historical Financial Information

You have requested Ernst & Young Transaction Advisory Services to review the following pro forma historical financial information of Ardent Leisure Group:

- ▶ the pro forma historical consolidated balance sheet as at 26 June 2018 as set out in section 8.3 of the Securityholder Booklet;
- ▶ the pro forma historical consolidated income statement for the year ended 26 June 2018 as set out in section 8.4 of the Securityholder Booklet; and
- ▶ the pro forma historical consolidated statement of cash flows for the year ended 26 June 2018 as set out in section 8.5 of the Securityholder Booklet.

(Hereafter the "Pro Forma Historical Financial Information").

(The Historical Financial Information and Pro Forma Historical Financial Information is collectively referred to as the "Financial Information").

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Ardent Leisure Group, and adjusted for the effects of pro forma adjustments described in sections 8.3.1, 8.4.1 and 8.5.1 of the Securityholder Booklet.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS other than that it includes certain adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred on or before 26 June 2018.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Group's actual or prospective financial position, financial performance or cash flows.

The Financial Information is presented in the Securityholder Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

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3. Directors' Responsibility

The directors of Ardent Leisure Management Limited as Responsible Entity for Ardent Leisure Trust and Ardent Leisure Limited ("Ardent Leisure Group Directors") are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the basis of preparation, selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of Ardent Leisure Group comprising:

- ▶ the historical consolidated balance sheet as at 26 June 2018 as set out in section 8.3 of the Securityholder Booklet;
- ▶ the historical consolidated income statement for the year ended 26 June 2018 as set out in section 8.4 of the Securityholder Booklet; and
- ▶ the historical consolidated statement of cash flows for the year ended 26 June 2018 as set out in section 8.5 of the Securityholder Booklet,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 8.2 (a) of the Securityholder Booklet.

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Pro Forma Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of Ardent Leisure Group comprising:

- ▶ the pro forma historical consolidated balance sheet as at 26 June 2018 as set out in section 8.3 of the Securityholder Booklet;
- ▶ the pro forma historical consolidated income statement for the year ended 26 June 2018 as set out in section 8.4 of the Securityholder Booklet; and
- ▶ the pro forma historical consolidated statement of cash flows for the year ended 26 June 2018 as set out in section 8.5 of the Securityholder Booklet,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in section 8.2 (b) of the Securityholder Booklet.

6. Restriction on Use

Without modifying our conclusions, we draw attention to section 8.2 of the Securityholder Booklet, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young Transaction Advisory Services has consented to the inclusion of this limited assurance report in the Securityholder Booklet in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young Transaction Advisory Services does not have any interests in the outcome of this Proposal other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young Transaction Advisory Services Limited

Gavin Sultana
Director and Representative

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10 October 2018

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT
LIMITED ASSURANCE REPORT**

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited ("Ernst & Young Transaction Advisory Services" or "we," "us" or "our" or "Company") has been engaged to provide general financial product advice in the form of an Independent Limited Assurance Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

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We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$137,500 (inclusive of GST).

Ernst & Young Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits disclosed in this Securityholder Booklet in section 11.10, Ernst & Young Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or the Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

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9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

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Annexure C Terms of the Ardent Leisure Limited Scheme

This Annexure C sets out the terms of the Ardent Leisure Limited Scheme.

Scheme of Arrangement

Scheme made under section 411 of the Corporations Act 2001.

Between		
ALL	Name	Ardent Leisure Limited
	ACN	104 529 106
	Address	Level 8, 60 Miller Street North Sydney NSW 2060
	Fax	+61 2 9409 3679
	Attention	General Counsel and Company Secretary
ALL Shareholders	Name	Each person registered as a holder of ALL Shares on the Record Date

1 Definitions and interpretation

1.1 Definitions

In this Scheme:

ALL means Ardent Leisure Limited (ABN 22 104 529 106).

ALL Constitution means the constitution of ALL.

ALL Share means a fully paid ordinary share in the capital of ALL.

ALL Shareholder means a person registered as the holder of an ALL Share, including any person jointly registered.

ALML means Ardent Leisure Management Limited (ABN 36 079 630 676), acting as responsible entity of the Trust.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited or Australian Securities Exchange, as appropriate.

ASX Settlement means ASX Settlement Pty Ltd.

ATO means the Australian Taxation Office.

Attached Security means a Security which is from time to time Stapled or to be Stapled to an ALL Share or a Trust Unit.

Ardent Leisure Group means the Stapled group consisting of ALL and the Trust.

Business Day means a business day within the meaning given to that term in the Listing Rules.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by the ASX Settlement Pty Ltd ABN 49 008 504 532.

Company Scheme means this scheme of arrangement.

Company Scheme Meeting means the meeting of ALL Shareholders convened by order of the Court in relation to this Scheme pursuant to section 411(1) of the Corporations Act, and includes any adjournment of such meeting.

Consolidated NewCo Share means a NewCo Share on issue immediately subsequent to the conversion of NewCo Shares into that number of NewCo Shares equal to the number of Stapled Securities that had been on issue at the Record Date.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of New South Wales.

Effective means all of the following events taking place:

- (a) in relation to the Company Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) but in any event at no time before an office copy of the orders of the Court is lodged with ASIC; and
- (b) in relation to the Trust Scheme, the Trust Constitution Amendments coming into effect pursuant to section 601GC(2) of the Corporations Act.

Effective Date means the earliest date on which both of the Schemes become Effective.

Effective Time means the earliest time and date on which both of the Schemes become Effective.

Eligible Securityholder means the Scheme Participants (other than Ineligible Foreign Securityholders) and the Sale Agent in respect of the Ineligible Securities.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the PPSA, or any agreement to create any of them or allow them to exist.

End Date means 31 March 2019 or such other date as agreed by the parties to the Implementation Deed.

Foreign Securityholder means a Securityholder as at the Record Date:

- (a) who is (or who is acting on behalf of) a citizen or resident of a place outside Australia and its external territories; or

- (b) whose address shown in the Stapled Security Register is a place outside Australia and its external territories (or who is acting on behalf of such a person).

Government Agency means any government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, bureau, tribunal, agency or entity in any part of the world and includes the ASX, ASIC and ATO.

Implementation means the completion of all the Implementation Steps in accordance with clause 6.1(a) of the Implementation Deed.

Implementation Date means the date on which Implementation occurs, being 24 December 2018 (or such other date as the parties to the Implementation Deed may agree).

Implementation Deed means the Implementation Deed dated 5 October 2018 between ALL, ALML as responsible entity of the Trust and NewCo.

Implementation Step means each of the steps set out in Schedule 3 of the Implementation Deed.

Ineligible ALL Share has the meaning given in clause 5.2.

Ineligible Foreign Securityholder has the meaning given in clause 5.2.

Ineligible Securities means Ineligible ALL Shares and Ineligible Trust Units.

Ineligible Trust Unit has the meaning given in clause 5.2.

Listing Rules means the Listing Rules of the ASX and any other rules of the ASX which are applicable to either of ALL or the Trust, subject to any waiver or exemption granted to ALL or the Trust from compliance with those rules.

NewCo means Ardent Leisure Group Limited (ACN 628 881 603).

NewCo Constitution means the constitution of NewCo.

NewCo Deed Poll means the deed poll under which NewCo covenants in favour of each Eligible Securityholder and each Ineligible Foreign Securityholder to perform acts attributed to it under the Schemes.

NewCo Shares means fully paid ordinary shares in NewCo.

Operating Rules means the Settlement Operating Rules made by ASX Settlement.

PPSA means the *Personal Properties Securities Act 2009* (Cth).

Proposal means the proposed restructure of the Ardent Leisure Group, pursuant to which NewCo would be established as the ultimate parent with the Stapled Entities becoming wholly owned entities of NewCo, as described in the Securityholder Booklet (including the Schemes).

Record Date means 7.00 pm on Monday, 3 December 2018, or such other date as agreed by the parties to the Implementation Deed.

Register means the ALL member register established and maintained by or on behalf of ALL in accordance with the ALL Constitution.

Registry means Link Market Services Limited (ABN 54 083 214 537).

Relevant Sale Facility Consideration means, in relation to each Ineligible Foreign Securityholder, an amount equal to the average price at which Sale Securities are sold by the Sale Agent under the Sale Facility multiplied by the corresponding number of Sale Securities to which the Ineligible Foreign Securityholder would otherwise have been entitled to under the Scheme, less any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by ALL and ALML (in its capacity as responsible entity of the Trust)) (subject to rounding to the nearest whole cent, or, if the amount calculated is exactly half a cent, subject to rounding down to the nearest whole cent).

Requirements means the Corporations Act, the Listing Rules and the Operating Rules, each as modified by any relevant exemption or waiver.

Sale Agent means the entity appointed by ALL and ALML as responsible entity of the Trust to act as the sale facility nominee under the Schemes.

Sale Facility means the facility to be established and implemented by ALL, in agreement with ALML as responsible entity of the Trust, under which Ineligible ALL Shares (along with Ineligible Trust Units) are transferred to the Sale Agent and Sale Securities are sold on the ASX in accordance with clause 7 of this Company Scheme.

Sale Facility Account means the account established or already in existence by the Sale Agent in its own name, or in the name of a nominee appointed by the Sale Agent, into which the Sale Agent must deposit the gross sale proceeds received in respect of the Sale Securities.

Sale Period means the 29 Business Day period commencing on the date on which Consolidated NewCo Shares commence trading on a normal (T+2) settlement basis.

Sale Security means a Consolidated NewCo Share held by the Sale Agent following participation by the Sale Agent in the implementation of the Proposal in respect of the Ineligible Securities that is, or is to be, sold under the Sale Facility.

Scheme Participant means a Securityholder as at the Record Date, and Scheme Participants means all of them.

Schemes means the Company Scheme and the Trust Scheme.

Second Court Hearing means the hearing at which the Court makes orders pursuant to section 411(4)(b) of the Corporations Act approving the Company Scheme.

Second Court Hearing Date means the date of the Second Court Hearing.

Security has the meaning given to that term in section 92(1) of the Corporations Act.

Securityholder means a person who is registered in the Stapled Security Register as the holder of Stapled Securities who is also relevantly an ALL Shareholder or Trust Unit Holder, whether together as the holder of Stapled Securities or separately as the context may require, and **Securityholders** means all of them.

Securityholder Booklet means the notices of meeting, explanatory statement and accompanying materials in connection with the Proposal dated 10 October 2018 despatched to the Securityholders.

Staple, Stapled or Stapling means, in relation to one or more Attached Securities, being linked together so that one may not be dealt with without the other or others.

Stapled Entity means any trust, corporation, managed investment scheme or other entity the Securities in which are Stapled, being ALL and the Trust.

Stapled Entity's Constitution means the constitution of a Stapled Entity, being the ALL Constitution and the Trust Constitution.

Stapled Security means an ALL Share and a Trust Unit which are Stapled together.

Stapled Security Register means the register of Stapled Securities established and maintained by or on behalf of ALL and ALML in accordance with the Stapled Entity's Constitutions.

Subscription Form means a duly completed and executed proper instrument of subscription for the NewCo Shares, which may be a master subscription form.

Transfer Form means a duly completed and executed proper instrument of transfer for the ALL Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer form.

Trust means Ardent Leisure Trust (ARSN 093 193 438) constituted under the Trust Constitution.

Trust Constitution means trust deed entitled Constitution — Ardent Leisure Trust dated 6 February 1998 as amended from time to time.

Trust Constitution Amendments means the amendments to the Trust Constitution to enable the Trust Scheme.

Trust Scheme means the arrangement, in accordance with Guidance Note 15: Listed Trusts and Managed Investment Scheme Mergers issued by the Takeovers Panel to the extent reasonably applicable, under which NewCo acquires all of the Units facilitated by amendments to the Trust Constitution as set out in clauses 31 to 36 of the Trust Constitution.

Trust Unit means an undivided interest in the Trust as provided for in the Trust Constitution, being one fully paid ordinary unit in the Trust.

Trust Unit Holder means a person registered as the holder of a Trust Unit, including any person jointly registered and Trust Unit Holders means all of them.

1.2 Reference to certain general terms

Unless the contrary intention appears, a reference in this Company Scheme to:

- (a) **(variations or replacements)** a document, agreement (including this agreement) or instrument is a reference to that document, agreement or instrument as amended, consolidated, supplemented, novated or replaced;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this Company Scheme;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(party)** a party means a party to this Company Scheme;
- (g) **(person)** the word “person” includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Government Agency;
- (h) **(executors, administrators, successors)** a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) **(dollars)** Australian dollars, dollars, A\$ or \$ is a reference to the lawful currency of Australia;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (m) **(holders)** a reference to a holder includes a joint holder; and
- (n) **(time of day)** time is a reference to Sydney time.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Company Scheme.

2 Preliminary

2.1 ALL

ALL is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and has its registered office at Level 8, 60 Miller Street, North Sydney, NSW 2000; and
- (c) admitted to the official list of the ASX and ALL Shares are officially quoted on the stock market conducted by the ASX (as one of the securities comprising the Stapled Securities).

2.2 NewCo

NewCo is:

- (a) a public company limited by shares; and
- (b) incorporated in Australia and has its registered office at Level 8, 60 Miller Street, North Sydney, NSW 2000.

2.3 Share capital

- (a) As at 1 October 2018, there are 479,706,016 ALL Shares on issue.
- (b) As at 1 October 2018, there is one NewCo Share on issue.

2.4 Implementation steps

ALL acknowledges that under the Implementation Deed, the Implementation Steps for the Proposal will take place at the times and in the order described in the Implementation Deed.

3 Conditions precedent

3.1 Conditions precedent

This Company Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00 am on the Second Court Hearing Date, the Implementation Deed and NewCo Deed Poll not having been terminated in accordance with their respective terms; and
- (b) all of the conditions precedent set out in clause 3.1 of the Implementation Deed (other than any condition precedent that cannot be waived) having been satisfied or waived in accordance with the terms of the Implementation Deed.

3.2 Certificate in relation to conditions precedent

- (a) ALL will provide to the Court at the Second Court Hearing a certificate confirming (in respect of matters within its knowledge) whether or not all of the conditions precedent set out in clause 3.1 of this Company Scheme (other than the conditions precedent in clauses 3.1(b) and 3.1(c)) of the Implementation Deed) have been satisfied or waived as at 8.00 am on the Second Court Hearing Date.
- (b) The certificate referred to in this clause 3.2 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 of this Company Scheme (other than the conditions precedent in clauses 3.1(b) and 3.1(c) of the Implementation Deed) have been satisfied or waived.

4 Scheme

4.1 Effective Date

Subject to clause 4.2, this Company Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

This Company Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date.

5 Implementation of Company Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Company Scheme are satisfied, ALL must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Company Scheme.

5.2 Determination of Ineligible Foreign Securityholders

- (a) After the Record Date and prior to the Implementation Date, ALL must in agreement with ALML (in its capacity as responsible entity of the Trust) determine whether a Foreign Securityholder, or a class of Foreign Securityholders, is eligible to have issued to it NewCo Shares.
- (b) The determination under clause 5.2(a) is to be made having regard to whether the participation of the Foreign Securityholder in the Proposal would be lawful and not unduly onerous for NewCo or the Stapled Entities under the laws of a place outside Australia and its external territories.
- (c) A determination under clause 5.2(a) may specify that a Foreign Securityholder is eligible to participate in respect of some or all of its Stapled Securities (comprising ALL Shares and Trust Units) held at 7.00 pm on the Record Date, with or without conditions.
- (d) A Foreign Securityholder may only receive NewCo Shares in accordance with the determination under clause 5.2(a) and is not otherwise eligible to receive NewCo Shares in respect of any of its Stapled Securities (comprising ALL Shares and Trust Units). For the purposes of this Company Scheme:
 - (i) each such Foreign Securityholder which is ineligible to receive NewCo Shares in respect of all or some of its Stapled Securities is referred to as an Ineligible Foreign Securityholder;
 - (ii) each ALL Share and Trust Unit comprising a Stapled Security in respect of which the Ineligible Foreign Securityholder is ineligible to receive NewCo Shares is referred to as an Ineligible ALL Share or Ineligible Trust Unit; and
 - (iii) a reference to an Ineligible Foreign Securityholder only applies in relation to its Ineligible ALL Shares or Ineligible Trust Units.
- (e) The determination under clause 5.2(a) is final and conclusive of a Foreign Securityholder's eligibility to receive NewCo Shares.

5.3 Transfer to Sale Agent

- (a) After the Record Date and on or prior to the Implementation Date, all of the Ineligible ALL Shares together with all rights and entitlements attaching to those Ineligible ALL Shares will be transferred to the Sale Agent without the need for any further act by any Ineligible Foreign Securityholders (other than acts performed by

ALL (or its directors or officers) as attorney and agent for the Ineligible Foreign Securityholders).

- (b) ALL must procure that the Sale Agent accepts the transfer of Ineligible ALL Shares under clause 5.3(a) by immediately executing the Transfer Form as transferee and delivering it to ALL for registration.
- (c) In order to give effect to the transfer of Ineligible ALL Shares under clause 5.3(a), ALL will:
 - (i) as attorney and agent for each Ineligible Foreign Securityholder, execute the Transfer Form, which was previously duly completed and executed by the Sale Agent, to transfer all Ineligible ALL Shares to the Sale Agent; and
 - (ii) register the transfer of Ineligible ALL Shares and enter the name of the Sale Agent in the Register in respect of all Ineligible ALL Shares transferred under clause 5.3(a).

5.4 Transfer to NewCo

Following the transfers set out in clause 5.3 and subject to the provision of the NewCo Shares in the manner contemplated by clause 6:

- (a) on the Implementation Date, all of the ALL Shares held by Eligible Securityholders together with all rights and entitlements attaching to those ALL Shares will be transferred to NewCo without the need for any further acts by any Eligible Securityholders (other than acts performed by ALL (or its directors or officers) as attorney and agent for the Eligible Securityholders);
- (b) ALL must procure that NewCo accepts the transfer of ALL Shares under clause 5.4(a) by immediately executing the Transfer Form as transferee and delivering it to ALL for registration;
- (c) in order to give effect to the transfer of ALL Shares under clause 5.4(a), ALL will:
 - (i) as attorney and agent for each Eligible Securityholder, execute the Transfer Form, which was previously duly completed and executed by NewCo, to transfer all ALL Shares held by the Eligible Securityholders to NewCo; and
 - (ii) as soon as possible following receipt of the Transfer Form, register the transfer of ALL Shares and enter the name of NewCo in the Register in respect of all ALL Shares transferred under clause 5.4(a).

5.5 Scheme Participants' agreements

Each Scheme Participant agrees to the transfer of all of their ALL Shares together with all rights and entitlements attaching to those ALL Shares in accordance with this clause 5 and agrees to any variation, cancellation or modification of their rights constituted by or resulting from this clause 5.

5.6 Scheme Participants' warranties

Each Scheme Participant is taken to have warranted to ALL and NewCo (and in the case of an Ineligible Foreign Securityholder, to the Sale Agent), and appointed and authorised ALL as its attorney and agent to warrant to NewCo (and in the case of an Ineligible Foreign Securityholder, to the Sale Agent), that:

- For personal use only
- (a) to the extent permitted by law, the ALL Shares transferred under this clause 5 will be transferred free from all Encumbrances; and
 - (b) they have full power and capacity to sell and to transfer their ALL Shares (including any rights and entitlements attaching to those ALL Shares) under this Company Scheme.

ALL will hold as attorney and agent of each Scheme Participant the benefit of such warranties for NewCo (and in the case of an Ineligible Foreign Securityholder, for the Sale Agent).

5.7 Title and rights in ALL Shares

- (a) To the extent permitted by law, the ALL Shares transferred under this clause 5 will be transferred free from all Encumbrances.
- (b) The Sale Agent will be beneficially entitled to the Ineligible ALL Shares transferred to it under this clause 5 pending registration by ALL of the Sale Agent in the Register as an ALL Shareholder.
- (c) NewCo will be beneficially entitled to the ALL Shares transferred to it under this clause 5 pending registration by ALL of NewCo in the Register as an ALL Shareholder.

6 NewCo Shares

6.1 Subscribing for NewCo Shares

- (a) In consideration for the transfer of ALL Shares under clause 5.4(a), each Eligible Securityholder will be entitled to receive 1 NewCo Share for every 1 ALL Share transferred under this Company Scheme.
- (b) ALL, as attorney and agent for each Eligible Securityholder, will apply for the number of NewCo Shares to be issued to that Eligible Securityholder under this Company Scheme.
- (c) On the Implementation Date and following the transfers set out in clauses 5.3 and 5.4, in order to apply for the issue of NewCo Shares under clause 6.1(b), ALL will as attorney and agent for each Eligible Securityholder duly complete and execute the Subscription Form in respect of all the NewCo Shares to be issued under this Company Scheme for the Eligible Securityholders.
- (d) Each Eligible Securityholder:
 - (i) accepts the NewCo Shares under this Company Scheme; and
 - (ii) agrees to become a member of NewCo and be bound by the NewCo Constitution.

6.2 Issue of NewCo Shares

- (a) On the Implementation Date, in consideration for the transfer of ALL Shares to NewCo, ALL must procure that NewCo:
 - (i) issues the NewCo Shares to each Eligible Securityholder as it is entitled under this Company Scheme;

- (ii) enters the name and address of each Eligible Securityholder in the NewCo members register in respect of the NewCo Shares to which it is entitled under this Company Scheme; and
 - (iii) ensures that each such NewCo Share is duly and validly issued in accordance with all applicable laws and the NewCo Constitution.
- (b) In the case of ALL Shares held in joint names, the NewCo Shares to be issued under this Company Scheme must be issued to and registered in the names of the joint holders.
 - (c) The entitlement of the Ineligible Foreign Securityholders under this Company Scheme is satisfied by ALL providing the NewCo Shares to which the Ineligible Foreign Securityholder would have been entitled (had they been determined to be eligible) to the Sale Agent, and the Sale Agent and ALL complying with the sale facility provisions under clause 7.

6.3 Status of NewCo Shares

- (a) NewCo Shares issued to Eligible Securityholders under this Company Scheme will rank equally in all respects with all existing NewCo Shares.
- (b) On issue, each NewCo Share issued to Eligible Securityholders will be fully paid and free from any Encumbrance.
- (c) NewCo must use all reasonable endeavours to ensure that NewCo Shares issued for the Company Schemes are, by no later than the date after the Effective Date, quoted for trading on the ASX on a deferred settlement basis.

6.4 Consolidated NewCo Shares

Each Eligible Securityholder agrees and acknowledges that, after the issue of NewCo Shares under the Schemes, the NewCo Shares they hold will be converted into that number of NewCo Shares equal to:

- (a) for a Scheme Participant (other than an Ineligible Foreign Securityholder), the number of Stapled Securities they held on the Record Date; and
- (b) for the Sale Agent, the number of Ineligible Securities held by Ineligible Foreign Securityholders (calculated as a Stapled Security) on the Record Date.

6.5 Despatch of holding statements

As soon as practicable after the Implementation Date, NewCo must send a certificate or holding statement (or equivalent document) to the registered address of each Scheme Participant representing the number of Consolidated NewCo Shares each Scheme Participant holds pursuant to the Schemes.

7 Sale Facility

7.1 Appointment

ALL, together with ALML (in its capacity as responsible entity of the Trust), must, prior to the Implementation Date, appoint the Sale Agent and must procure that the Sale Agent perform all acts attributed to it under the Schemes and any other things necessary to give effect to the Sale Facility under this clause 7.

7.2 Disposal of Consolidated NewCo Shares

ALL will enforce its contractual rights against the Sale Agent to require that:

- (a) as soon as is reasonably practicable after the Implementation Date following the consolidation pursuant to clause 6.4, the Sale Agent sells the Sale Securities in such manner, at such prices and at such times as the Sale Agent sees fit and determines in good faith, with the objectives of:
 - (i) achieving the best price for the Sale Securities that is reasonably obtainable on market at the time of the relevant sale bearing in mind prevailing market conditions and prevailing demand for NewCo Shares;
 - (ii) ensuring all sales of the Sale Securities are effected in the ordinary course of trading on the ASX during the Sale Period; and
 - (iii) complying with the Requirements, to the extent applicable.
- (b) the Sale Agent promptly deposits (or procures the deposit of) the gross sale proceeds in respect of the Sale Securities into the Sale Facility Account;
- (c) once all the Sale Securities are sold, the Sale Agent must advise ALL of the completion of the sale of each Sale Security, the aggregate sale price of the Sale Securities, any income attributable to the Sale Securities and the amount of any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by ALL and ALML); and
- (d) once settlement of the sale of all the Sale Securities has occurred, and in no case later than 5 Business Days thereafter, the Sale Agent transfers the total gross sale proceeds received in the Sale Facility Account less any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by ALL and ALML) to NewCo or the Registry on trust for the relevant Ineligible Foreign Securityholder.

7.3 Update by the Registry

ALL must procure that NewCo will arrange:

- (a) following receipt of information from the Sale Agent in accordance with paragraph 7.2(c), that the Registry calculates the Relevant Sale Facility Consideration for each Ineligible Foreign Securityholder; and
- (b) no later than 5 Business Days after the Sale Agent has transferred the total gross sale proceeds received in the Sale Facility Account less any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by ALL and ALML) in accordance with paragraph 7.2(d), arranges in respect of each Ineligible Foreign Securityholder for payment of the Relevant Sale Facility Consideration by either:
 - (i) dispatching by mail to the registered address of that Ineligible Foreign Securityholder a cheque or bank draft of the Relevant Sale Facility Consideration for that Ineligible Foreign Securityholder payable in Australian dollars (provided that, in the case of Ineligible Foreign Securityholders who are joint holders of ALL Shares, the cheque will be made payable to the joint holders and sent to the holder whose name appears first in the Stapled Security Register as at 7.00 pm on the Record Date); or

- (ii) making an electronic funds transfer in Australian dollars to an account nominated by that Ineligible Foreign Securityholder for the purposes of the Sale Facility.

7.4 Relevant Sale Facility Consideration

- (a) Each Ineligible Foreign Securityholder agrees that the payment of the Relevant Sale Facility Consideration is a full discharge of the obligations of ALL under this clause 7.
- (b) The total consideration received by an Ineligible Foreign Securityholder for their Ineligible Securities (calculated as a Stapled Security) held at 7.00 pm on the Record Date must not exceed the Relevant Sale Facility Consideration, whether received under any or all of the Schemes or otherwise.
- (c) Each Ineligible Foreign Securityholder agrees that their entitlement to the Relevant Sale Facility Consideration is subject to compliance with applicable law (including on conduct of the sale facility and remittance of funds).

8 Dealings in ALL Shares

8.1 Determination of identity

To establish the identity and addresses of the Scheme Participants, dealings in Stapled Securities and other alterations to the Stapled Security Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Stapled Security Register as the holder of the relevant Stapled Securities on or before 7.00 pm on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00 pm on the Record Date at the place where the Stapled Security Register is kept.

8.2 Stapled Security Register

- (a) ALL must register any registrable transmission applications or transfers of the Stapled Securities received in accordance with clause 8.1(b) on or before 5.00 pm on the Record Date.
- (b) If the Schemes become Effective, a Securityholder (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Stapled Securities or any interest in them after 5.00 pm on the Record Date.
- (c) ALL will not accept for registration or recognise for any purpose any transmission, application or transfer in registrable form or other request in respect of Stapled Securities received after 5.00 pm on the Record Date, or received prior to such time but not in registrable or actionable form (except a transfer to the Sale Agent or NewCo pursuant to clause 5 and any subsequent transfer by NewCo or its successors in title).
- (d) For the purpose of determining entitlements to the NewCo Shares, ALL will maintain the Stapled Security Register and the Register in accordance with the provisions of this clause 8.2 and, following the registration of the transfer of the Ineligible ALL Shares from Ineligible Foreign Securityholders to the Sale Agent and

the entry of the name of the Sale Agent in the Register referred to in clause 5.3(c), the Register in this form will solely determine entitlements to the NewCo Shares.

- (e) Any statements of holding in respect of Stapled Securities will cease to have effect after 7.00 pm on the Record Date as documents of title in respect of those Stapled Securities (other than statements of holding in favour of NewCo and its successors in title). After 7.00 pm on the Record Date, each entry current on the Stapled Security Register as at 7.00 pm on the Record Date (other than entries in respect of NewCo or its successors in title) will cease to have effect except as evidence of entitlement to the NewCo Shares.
- (f) As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, ALL will ensure that details of the names, registered addresses and Stapled Securities holdings for each Securityholder as shown in the Stapled Security Register as at the Record Date are available to NewCo in the form NewCo reasonably requires.

8.3 Quotation of ALL Shares

- (a) The ALL Shares will only trade on the ASX as part of the Stapled Securities until the close of trading on the ASX on the Effective Date.
- (b) As soon as practical after the Implementation Date, ALL will apply:
 - (i) for termination of the official quotation of the ALL Shares on the ASX; and
 - (ii) to have ALL removed from the official list of the ASX.

9 General Scheme provisions

9.1 Power of attorney

From the Effective Time, each Eligible Securityholder and each Ineligible Foreign Securityholder, without the need for any further act, irrevocably appoints ALL and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) enforcing the NewCo Deed Poll against NewCo; and
- (b) executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Company Scheme and the transactions contemplated by them, including (without limitation) executing the transfer of ALL Shares and executing the subscription for NewCo Shares.

ALL as attorney and agent of each Eligible Securityholder and each Ineligible Foreign Securityholder, may sub-delegate its functions, authorities or powers under this clause 9.1 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

9.2 Instructions

Binding instructions or notifications between an Eligible Securityholder and ALL relating to Stapled Securities or an Eligible Securityholder's status as a Securityholder (including, without limitation, any instructions relating to payment of dividends or communications from ALL) will (to the extent permitted by law), from the Record Date, be deemed by reason of this Company Scheme to be similarly binding instructions or notifications to,

and accepted by, NewCo in respect of the NewCo Shares issued to the Eligible Securityholder until those instructions or notifications are, in each case, revoked or amended in writing addressed to NewCo or its share registry. Each Eligible Securityholder agrees that ALL holds the benefit of this clause 9.2 for NewCo.

9.3 Variations, alterations and conditions

If the Court proposes to approve this Company Scheme subject to any alterations or conditions, ALL may, by its counsel or solicitor, consent on behalf of all persons concerned to those alterations or conditions provided that in no circumstances will ALL be obliged to do so.

9.4 Further action by ALL

ALL must do all things and execute all documents (on its own behalf and on behalf of each Eligible Securityholder and each Ineligible Foreign Securityholder) necessary or expedient to give full effect to this Company Scheme and the transactions contemplated by it.

9.5 Authority and acknowledgement

Each of the Eligible Securityholders and each of the Ineligible Foreign Securityholders:

- (a) irrevocably consents to ALL doing all things necessary or expedient for or incidental to the implementation of this Company Scheme; and
- (b) acknowledges that this Company Scheme binds ALL and each Eligible Securityholder and each Ineligible Foreign Securityholder (including those who did not attend the Company Scheme Meeting, did not vote at that meeting or voted against this Company Scheme at that meeting).

9.6 No liability when acting in good faith

Neither ALL nor any of its officers will be liable for anything done or omitted to be done in the performance of this Company Scheme in good faith.

9.7 Enforcement of NewCo Deed Poll

ALL undertakes in favour of each Eligible Securityholder and each Ineligible Foreign Securityholder to enforce the NewCo Deed Poll on behalf of and as agent and attorney for each Eligible Securityholder and each Ineligible Foreign Securityholder.

9.8 Stamp duty

ALL must pay all stamp duty (including any fines, penalties and interest) payable in connection with this Company Scheme.

9.9 Company Scheme overrides ALL Constitution

To the extent of any inconsistency and to the extent permitted by law, this Company Scheme overrides the ALL Constitution and binds ALL and ALL Shareholders.

9.10 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Company Scheme is sent by post to ALL, it will not be taken to be received in the ordinary course of post or on a date and time other than the date

and time (if any) on which it is actually received at ALL's registered office or at the office of the Registry.

- (b) The accidental omission to give notice of the Company Scheme Meeting or the non-receipt of such a notice by any ALL Shareholder shall not, unless so ordered by the Court, invalidate the Company Scheme Meeting or the proceedings of the Company Scheme Meeting.

10 Governing law

10.1 Governing law

This Company Scheme is governed by the law in force in New South Wales.

10.2 Jurisdiction

Each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of that place; and
- (b) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Annexure D Ardent Leisure Trust Constitution Amendments

The Trust Constitution is amended by inserting new clauses 31 to 36 to the Trust Constitution as set out below.

31 Top Hat Proposal generally

Definitions

31.1 In clauses 32 to 36, unless the context otherwise requires:

ASX means ASX Limited or the Australian Securities Exchange, as appropriate.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by the ASX Settlement Pty Ltd ABN 49 008 504 532.

Company means Ardent Leisure Limited (ABN 22 104 529 106).

Company Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act 2001 between the Company and all Company Shareholders substantially in the form annexed to the Securityholder Booklet, together with any alterations or conditions made by the Company to which NewCo agrees or made or required by the Court under section 411(6) of the Corporations Act 2001, or otherwise desirable or necessary to comply with applicable law.

Company Shareholder means a person registered as the holder of a Share, including any person jointly registered and **Company Shareholders** means all of them.

Consolidated NewCo Share means a NewCo Share on issue immediately subsequent to the conversion of NewCo Shares into that number of NewCo Shares equal to the number of Stapled Securities that had been on issue at the Record Date.

Court means the Supreme Court of New South Wales.

Effective means all of the following events taking place:

- (a) in relation to the Company Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act 2001, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) but in any event at no time before an office copy of the orders of the Court is lodged with ASIC; and
- (b) in relation to the Trust Scheme, the Trust Constitution Amendments coming into effect pursuant to section 601GC(2) of the Corporations Act 2001.

Effective Date means the earliest date on which both of the Schemes become Effective.

Effective Time means the earliest time and date on which both of the Schemes become Effective.

Eligible Securityholder means the Scheme Participants (other than Ineligible Foreign Securityholders) and the Sale Agent in respect of the Ineligible Securities.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or

flawed deposit arrangement and any “security interest” as defined in sections 12(1) or (2) of the PPSA, or any agreement to create any of them or allow them to exist.

Foreign Securityholder means a Securityholder as at the Record Date:

- (a) who is (or who is acting on behalf of) a citizen or resident of a place outside Australia and its external territories; or
- (b) whose address shown in the Stapled Security Register is a place outside Australia and its external territories (or who is acting on behalf of such a person).

Implementation means the completion of all the Implementation Steps in accordance with clause 6.1(a) of the Implementation Deed.

Implementation Date means the date on which Implementation occurs, being 24 December 2018 (or such other date as the parties to the Implementation Deed may agree).

Implementation Deed means the Implementation Deed between the Company, the Manager and NewCo in connection with the Top Hat Proposal.

Implementation Step means each of the steps set out in Schedule 3 of the Implementation Deed.

Ineligible Share has the meaning in clause 32.4(b).

Ineligible Foreign Securityholder has the meaning given in clause 32.4(a).

Ineligible Securities means Ineligible Shares and Ineligible Units.

Ineligible Unit has the meaning given in clause 32.4(b).

Meetings means the meetings for which notice is given under the Securityholder Booklet.

NewCo means Ardent Leisure Group Limited, the ultimate parent of the MLE following Implementation.

NewCo Constitution means the constitution of NewCo.

NewCo Deed Poll means the deed poll under which NewCo covenants in favour of each Eligible Securityholder and each Ineligible Foreign Securityholder to perform acts attributed to it under the Schemes.

NewCo Shares means fully paid ordinary shares in NewCo.

Operating Rules means the Settlement Operating Rules made by ASX Settlement.

PPSA means the *Personal Properties Securities Act 2009* (Cth)

Record Date means 7.00 pm on Monday, 3 December 2018, or such other date as agreed by the parties to the Implementation Deed.

Registry means Link Market Services Limited (ABN 54 083 214 537)

Relevant Sale Facility Consideration means, in relation to each Ineligible Foreign Securityholder, an amount equal to the average price at which Sale Securities are sold by the Sale Agent under the Sale Facility multiplied by the corresponding number of Sale

Securities to which the Ineligible Foreign Securityholder would otherwise have been entitled to under the Schemes, less any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by the Company and the Manager) (subject to rounding to the nearest whole cent, or, if the amount calculated is exactly half a cent, subject to rounding down to the nearest whole cent).

Requirements means the Corporations Act 2001, the Listing Rules and the Operating Rules, each as modified by any relevant exemption or waiver.

Resolution means a resolution substantially in the form set out in the Securityholder Booklet.

Sale Agent means the entity appointed by the Company and the Manager, to act as the sale facility nominee under the Schemes.

Sale Facility means the facility to be established and implemented by ALL, in agreement with the Manager, under which Ineligible Units (along with Ineligible Shares) are transferred to the Sale Agent and Sale Securities are sold on the ASX in accordance with clause 34.

Sale Facility Account means the account established or already in existence by the Sale Agent in its own name, or in the name of a nominee appointed by the Sale Agent, into which the Sale Agent must deposit the gross sale proceeds received in respect of the Sale Securities.

Sale Period means the 29 Business Day period commencing on the date on which Consolidated NewCo Shares commence trading on a normal (T+2) settlement basis.

Sale Security means a Consolidated NewCo Share held by the Sale Agent following participation by the Sale Agent in the implementation of the Top Hat Proposal in respect of the Ineligible Securities that is, or is to be, sold under the Sale Facility.

Scheme means this Trust Scheme.

Scheme Participant means a Securityholder as at the Record Date, and Scheme Participants means all of them.

Schemes means the Scheme and Company Scheme.

Securityholder means a person who is registered in the Stapled Security Register as the holder of Stapled Securities who is also relevantly a Company Shareholder or Member, whether together as the holder of Stapled Securities or separately as the context may require, and Securityholders means all of them.

Securityholder Booklet means the notices of meeting, explanatory statement and accompanying materials in connection with the Top Hat Proposal despatched to the Securityholders.

Subscription Form means a duly completed and executed proper instrument of subscription for the NewCo Shares, which may be a master subscription form.

Top Hat Proposal means the proposed restructure of MLE, pursuant to which NewCo would be established as the ultimate parent with the MLE becoming wholly owned entities of NewCo, as described in the Securityholder Booklet (including the Schemes).

Transfer Form means a duly completed and executed proper instrument of transfer for the Units for the purposes of section 1071B of the Corporations Act 2001, which may be a master transfer form.

Trust Constitution Amendments means the amendments to this constitution to enable the Trust Scheme.

Trust Scheme means the arrangement, in accordance with Guidance Note 15: Listed Trusts and Managed Investment Scheme Mergers issued by the Takeovers Panel to the extent reasonably applicable, under which NewCo acquires all of the Units facilitated by amendments to this constitution as set out in clauses 32 to 36 of this constitution.

Implementation Steps

- 31.2 The Manager acknowledges that under the Implementation Deed, the Implementation Steps for the Top Hat Proposal will take place at the times and in the order described in the Implementation Deed.

32 Implementation of Scheme

Determination of Ineligible Foreign Securityholders

- 32.1 After the Record Date and prior to the Implementation Date, the Manager must in agreement with the Company determine whether a Foreign Securityholder, or a class of Foreign Securityholders, is eligible to have issued to it NewCo Shares.
- 32.2 The determination under clause 32.1 is to be made having regard to whether the participation of the Foreign Securityholder in the Top Hat Proposal would be lawful and not unduly onerous for NewCo or the MLE under the laws of a place outside Australia and its external territories.
- 32.3 A determination under clause 32.1 may specify that a Foreign Securityholder is eligible to participate in respect of some or all of its Stapled Securities (comprising Shares and Units) held at 7.00 pm on the Record Date, with or without conditions.
- 32.4 A Foreign Securityholder may only receive NewCo Shares in accordance with the determination under clause 32.1 and is not otherwise eligible to receive NewCo Shares in respect of any of its Stapled Securities (comprising Shares and Units). For the purposes of this Scheme:
- (a) each such Foreign Securityholder which is ineligible to receive NewCo Shares in respect of all or some of its Stapled Securities is referred to as an Ineligible Foreign Securityholder;
 - (b) each Share and Unit comprising a Stapled Security in respect of which the Ineligible Foreign Securityholder is ineligible to receive NewCo Shares is referred to as an Ineligible Share or Ineligible Unit; and
 - (c) a reference to an Ineligible Foreign Securityholder only applies in relation to its Ineligible Share or Ineligible Units.
- 32.5 The determination under clause 32.1 is final and conclusive of a Foreign Securityholder's eligibility to receive NewCo Shares.

Transfer to Sale Agent

- 32.6 After the Record Date and on or prior to the Implementation Date, all of the Ineligible Units together with all rights and entitlements attaching to those Ineligible Units will be transferred to the Sale Agent without the need for any further act by any Ineligible Foreign Securityholders (other than acts performed by the Manager (or its directors or officers) as attorney and agent for the Ineligible Foreign Securityholders).
- 32.7 The Manager must procure that the Sale Agent accepts, the transfer of Ineligible Units under clause 32.6 by immediately executing the Transfer Form as transferee and delivering it to the Manager for registration.
- 32.8 In order to give effect to the transfer of Ineligible Units under clause 32.6, the Manager will:
- (a) as attorney and agent for each Ineligible Foreign Securityholder, execute the Transfer Form, which was previously duly completed and executed by the Sale Agent, to transfer all Ineligible Units to the Sale Agent; and
 - (b) register the transfer of Ineligible Units and enter the name of the Sale Agent in the Register in respect of all Ineligible Units transferred under clause 32.6.

Transfer to NewCo

- 32.9 Following the transfers set out in clauses 32.6 to 32.8 and subject to the provision of the NewCo Shares in the manner contemplated by clause 33:
- (a) on the Implementation Date, all of the Units held by Eligible Securityholders together with all rights and entitlements attaching to those Units will be transferred to NewCo without the need for any further acts by any Eligible Securityholders (other than acts performed by the Manager (or its directors or officers) as attorney and agent for the Eligible Securityholders);
 - (b) the Manager must procure that NewCo accepts the transfer of Units under clause 32.9(a) by immediately executing the Transfer Form as transferee and delivering it to the Manager for registration;
 - (c) in order to give effect to the transfer of Units under clause 32.9(a), the Manager will:
 - (i) as attorney and agent for each Eligible Securityholder, execute the Transfer Form, which was previously duly completed and executed by NewCo, to transfer all Units held by the Eligible Securityholders to NewCo; and
 - (ii) as soon as possible following receipt of the Transfer Form, register the transfer of Units and enter the name of NewCo in the Register in respect of all Units transferred under clause 32.9(a).

Scheme Participants' agreements

- 32.10 Each Scheme Participant agrees to the transfer of all of their Units together with all rights and entitlements attaching to those Units in accordance with this clause 32 and agrees to any variation, cancellation or modification of their rights constituted by or resulting from this clause 32.

Scheme Participants' warranties

32.11 Each Scheme Participant is taken to have warranted to the Manager and NewCo (and in the case of an Ineligible Foreign Securityholder, to the Sale Agent), and appointed and authorised the Manager as its attorney and agent to warrant to NewCo (and in the case of an Ineligible Foreign Securityholder, to the Sale Agent), that:

- (a) to the extent permitted by law, the Units transferred under this clause 32 will be transferred free from all Encumbrances; and
- (b) they have full power and capacity to sell and to transfer their Units (including any rights and entitlements attaching to those Units) under this Scheme.

32.12 The Manager will hold as attorney and agent of each Scheme Participant the benefit of such warranties for NewCo (and in the case of an Ineligible Foreign Securityholder, for the Sale Agent).

Title and rights in Units

32.13 To the extent permitted by law, the Units transferred under this clause 32 will be transferred free from all Encumbrances.

32.14 NewCo will be beneficially entitled to the Units transferred to it under this clause 32 pending registration by the Manager of NewCo in the Register as Unit Holder.

33 NewCo Shares

Subscribing for NewCo Shares

33.1 In consideration for the transfer of Units under clause 32.9(a), each Eligible Securityholder will be entitled to receive 1 NewCo Share for every 1 Unit transferred under this Scheme.

33.2 The Manager, as attorney and agent for each Eligible Securityholder, will apply for the number of NewCo Shares to be issued to that Eligible Securityholder under this Scheme.

33.3 On the Implementation Date and following the transfers set out in clauses 32.6 to 32.8, in order to apply for the issue of NewCo Shares under clause 33.2, the Manager will as attorney and agent for each Eligible Securityholder duly complete and execute the Subscription Form in respect of all the NewCo Shares to be issued under this Scheme for the Eligible Securityholders.

33.4 Each Eligible Securityholder:

- (a) accepts the NewCo Shares under this Scheme; and
- (b) agrees to become a member of NewCo and be bound by the NewCo Constitution.

Issue of NewCo Shares

33.5 On the Implementation Date, in consideration for the transfer of Units to NewCo, the Manager must procure that NewCo:

- (a) issues the NewCo Shares to each Eligible Securityholder as it is entitled under this Scheme;

- (b) enters the name and address of each Eligible Securityholder in the NewCo members register in respect of the NewCo Shares to which it is entitled under this Scheme; and
- (c) ensures that each such NewCo Share is duly and validly issued in accordance with all applicable laws and the NewCo Constitution.

33.6 In the case of Units held in joint names, the NewCo Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders.

33.7 The entitlement of the Ineligible Foreign Securityholders under this Scheme is satisfied by the Manager providing the NewCo Shares to which the Ineligible Foreign Securityholder would have been entitled (had they been determined to be eligible) to the Sale Agent, and the Sale Agent and the Manager complying with the sale facility provisions under clause 34.

Status of NewCo Shares

33.8 NewCo Shares issued to Eligible Securityholders under this Scheme will rank equally in all respects with all existing NewCo Shares.

33.9 On issue, each NewCo Share issued to Eligible Securityholders will be fully paid and free from any Encumbrance.

33.10 NewCo must use all reasonable endeavours to ensure that NewCo Shares issued for the Schemes are, by no later than the date after the Effective Date, quoted for trading on the ASX on a deferred settlement and post-share consolidation basis.

Consolidated NewCo Shares

33.11 Each Eligible Securityholder agrees and acknowledges that, after the issue of NewCo Shares under the Schemes, the NewCo Shares they hold will be converted into that number of NewCo Shares equal to:

- (a) for a Scheme Participant (other than an Ineligible Foreign Securityholder), the number of Stapled Securities they held on the Record Date; and
- (b) for the Sale Agent, the number of Ineligible Securities held by Ineligible Foreign Securityholders (calculated as a Stapled Security) on the Record Date.

Despatch of holding statements

33.12 As soon as practicable after the Implementation Date, NewCo must send a certificate or holding statement (or equivalent document) to the registered address of each Scheme Participant representing the number of Consolidated NewCo Shares each Scheme Participant holds pursuant to the Schemes.

34 Sale Facility

Appointment

34.1 The Manager must, prior to the Implementation Date, appoint the Sale Agent and must procure that the Sale Agent perform all acts attributed to it under the Schemes and any other things necessary to give effect to the Sale Facility under this clause 34.

Disposal of Consolidated NewCo Shares

34.2 The Manager will enforce its contractual rights against the Sale Agent to require that:

- (a) as soon as is reasonably practicable after the Implementation Date following the consolidation pursuant to clause 33.11, the Sale Agent sells the Sale Securities in such manner, at such prices and at such times as the Sale Agent sees fit and determines in good faith, with the objectives of:
 - (i) achieving the best price for the Sale Securities that is reasonably obtainable on market at the time of the relevant sale bearing in mind prevailing market conditions and prevailing demand for NewCo Shares;
 - (ii) ensuring all sales of the Sale Securities are effected in the ordinary course of trading on the ASX during the Sale Period; and
 - (iii) complying with the Requirements, to the extent applicable.
- (b) the Sale Agent promptly deposits (or procures the deposit of) the gross sale proceeds in respect of the Sale Securities into the Sale Facility Account;
- (c) once all the Sale Securities are sold, the Sale Agent must advise the Company of the completion of the sale of each Sale Security, the aggregate sale price of the Sale Securities, any income attributable to the Sale Securities and the amount of any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by the Company and the Manager) deducted; and
- (d) once settlement of the sale of all the Sale Securities has occurred, and in no case later than 5 Business Days thereafter, the Sale Agent transfers the total gross sale proceeds received in the Sale Facility Account less any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by the Company and the Manager) to NewCo or the Registry on trust for the relevant Ineligible Foreign Securityholder.

Update by the Registry

34.3 The Manager will procure that NewCo will arrange:

- (a) following receipt of information from the Sale Agent in accordance with paragraph 34.2(c), that the Registry calculates the Relevant Sale Facility Consideration for each Ineligible Foreign Securityholder; and
- (b) no later than 5 Business Days after the Sale Agent has transferred the total gross sale proceeds received in the Sale Facility Account less any applicable brokerage, stamp duty and other selling costs, taxes and charges (to the extent not met by the Company and the Manager) in accordance with paragraph 34.2(d), arranges in respect of each Ineligible Foreign Securityholder for payment of the Relevant Sale Facility Consideration by either:
 - (i) dispatching by mail to the registered address of that Ineligible Foreign Securityholder a cheque or bank draft of the Relevant Sale Facility Consideration for that Ineligible Foreign Securityholder payable in Australian dollars (provided that, in the case of Ineligible Foreign Securityholders who are joint holders of Units, the cheque will be made payable to the joint holders and sent to the holder whose name appears first in the Staped Security Register as at 7.00 pm on the Record Date); or

- (ii) making an electronic funds transfer in Australian dollars to an account nominated by that Ineligible Foreign Securityholder for the purposes of the Sale Facility.

Relevant Sale Facility Consideration

- 34.4 Each Ineligible Foreign Securityholder agrees that the payment of the Relevant Sale Facility Consideration is a full discharge of the obligations of the Manager under this clause 34.
- 34.5 The total consideration received by an Ineligible Foreign Securityholder for their Ineligible Securities (calculated as a Stapled Security) held at 7.00 pm on the Record Date must not exceed the Relevant Sale Facility Consideration, whether received under any or all of the Schemes or otherwise.
- 34.6 Each Ineligible Foreign Securityholder agrees that their entitlement to the Relevant Sale Facility Consideration is subject to compliance with applicable law (including on conduct of the sale facility and remittance of funds).

35 Dealings in Units

Determination of identity

- 35.1 To establish the identity and addresses of the Scheme Participants, dealings in Stapled Securities and other alterations to the Stapled Security Register will only be recognised if:
- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Stapled Security Register as the holder of the relevant Stapled Securities on or before 7.00 pm on the Record Date; and
 - (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 5.00 pm on the Record Date at the place where the Stapled Security Register is kept.

Stapled Security Register

- 35.2 The Manager must register any registrable transmission applications or transfers of the Stapled Securities received in accordance with clause 35.1(b) on or before 5.00 pm on the Record Date.
- 35.3 If the Schemes become Effective, a Securityholder (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Stapled Securities or any interest in them after 5.00 pm on the Record Date.
- 35.4 The Manager will not accept for registration or recognise for any purpose any transmission, application or transfer in registrable form or other request in respect of Stapled Securities received after 5.00 pm on the Record Date, or received prior to such time but not in registrable or actionable form (except a transfer to the Sale Agent or NewCo pursuant to clause 32 and any subsequent transfer by NewCo or its successors in title).
- 35.5 For the purpose of determining entitlements to the NewCo Shares, the Manager will maintain the Stapled Security Register and the Register in accordance with the provisions of this clause 35.5 and, following the registration of the transfer of the Ineligible Units from Ineligible Foreign Securityholders to the Sale Agent and the entry of the name of the Sale

Agent in the Register referred to in clause 32.8, the Register in this form will solely determine entitlements to the NewCo Shares.

- 35.6 Any statements of holding in respect of Stapled Securities will cease to have effect after 7.00 pm on the Record Date as documents of title in respect of those Stapled Securities (other than statements of holding in favour of NewCo and its successors in title). After 7.00 pm on the Record Date, each entry current on the Stapled Security Register as at 7.00 pm on the Record Date (other than entries in respect of NewCo or its successors in title) will cease to have effect except as evidence of entitlement to the NewCo Shares.
- 35.7 As soon as possible on or after the Record Date, and in any event within one Business Day after the Record Date, the Manager will ensure that details of the names, registered addresses and Stapled Securities holdings for each Securityholder as shown in the Stapled Security Register as at the Record Date are available to NewCo in the form NewCo reasonably requires.

Quotation of Units

- 35.8 The Units will only trade on the ASX as part of the Stapled Securities until the close of trading on the ASX on the Effective Date.
- 35.9 As soon as practical after the Implementation Date, the Manager will apply:
- (a) for termination of the official quotation of the Units on the ASX; and
 - (b) to have the Trust removed from the official list of the ASX.

36 General Scheme provisions

Power in connection with Top Hat Proposal

Without limiting the Manager's powers under this deed, with effect from the Effective Time, the Manager has power to do all things which the Manager considers are necessary, desirable or incidental to give effect to the Top Hat Proposal, including under the Implementation Deed.

Power of attorney

- 36.1 From the Effective Time, each Eligible Securityholder and each Ineligible Foreign Securityholder, without the need for any further act, irrevocably appoints the Manager and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:
- (a) enforcing the NewCo Deed Poll against NewCo; and
 - (b) executing any document or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by them, including (without limitation) executing the transfer of Units and executing the subscription for NewCo Shares.
- 36.2 The Manager as attorney and agent of each Eligible Securityholder and each Ineligible Foreign Securityholder, may sub-delegate its functions, authorities or powers under clauses 36.1 and 36.2 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

Instructions

36.3 Binding instructions or notifications between an Eligible Securityholder and the Manager relating to Stapled Securities or an Eligible Securityholder's status as a Securityholder (including, without limitation, any instructions relating to payment of distributions or communications from the Manager) will (to the extent permitted by law), from the Record Date, be deemed by reason of this Scheme to be similarly binding instructions or notifications to, and accepted by, NewCo in respect of the NewCo Shares issued to the Eligible Securityholder until those instructions or notifications are, in each case, revoked or amended in writing addressed to NewCo or its share registry. Each Eligible Securityholder agrees that the Manager holds the benefit of this clause 36.3 for NewCo.

Binding effect of Trust Constitution Amendments

36.4 From the Effective Time:

- (a) clauses 32 to 36 bind the Manager and all of the present and future Unit Holders (including those who did not attend the Meetings, did not vote at the Meetings, or voted against the Resolutions) and, to the extent of any inconsistency, overrides any other part of this deed;
- (b) the Manager and, so far as is relevant, the Unit Holders, must give effect to this Scheme in accordance with its terms;
- (c) without limiting clause 35.2 to 35.7 and subject to section 601GA(2) of the Corporations Act 2001, the Manager shall not have any liability of any nature to Unit Holders beyond the assets of the Trust out of which the Manager is actually indemnified arising directly or indirectly from the Manager doing or refraining from any act, matter or thing pursuant to or in connection with this Scheme; and
- (d) the Manager may amend the terms of this Scheme if such amendment is not inconsistent with the approval given by Unit Holders under the Resolutions and clauses 32 to 36 shall apply to this Scheme as amended.

36.5 Stamp duty

The Manager must pay all stamp duty (including any fines, penalties and interest) payable in connection with the Scheme out of the assets of the Trust.

Further action

36.6 The Manager must do all things and execute all documents (on its own behalf and on behalf of each Eligible Securityholder and each Ineligible Foreign Securityholder) necessary or expedient to give full effect to this Scheme and the transactions contemplated by it.

Consent

36.7 Each of the Eligible Securityholders and each of the Ineligible Foreign Securityholders :

- (a) irrevocably consents to the Manager doing all things necessary or expedient for or incidental to the implementation of the Schemes; and
- (b) acknowledges that this Scheme binds the Manager and each Eligible Securityholder and each Ineligible Foreign Securityholder (including those who did not attend the Trust's extraordinary general meeting to approve the resolutions

required to implement this Scheme, did not vote at that meeting or voted against this Scheme at that meeting).

Annexure E Notice of Company Scheme Meeting

By order of the Supreme Court of New South Wales made on 9 October 2018 pursuant to section 411(1) of the Corporations Act, a meeting of holders of fully paid ordinary shares in Ardent Leisure Limited will be held on Tuesday, 20 November 2018 commencing from 10.45 am (Sydney time) (or as soon thereafter as the Annual General Meeting has concluded or been adjourned) at The Mint, 10 Macquarie Street, Sydney, NSW 2000.

The Court has directed that Dr Gary Weiss act as chair of the meeting or, failing him, Mr David Haslingden.

Information about the Company Scheme is set out in the Securityholder Booklet that accompanies this notice. Terms used in this notice have the same meaning as set out in the Glossary in the Securityholder Booklet, unless indicated otherwise.

The quorum for the meeting of the Ardent Leisure Limited is at least two members present in person or by representative holding shares in Ardent Leisure Limited.

BUSINESS OF THE SCHEME MEETING

The business to be considered at the Company Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) a scheme of arrangement proposed to be made between Ardent Leisure Limited and the holders of its fully paid ordinary shares.

Company Scheme Resolution

To consider and, if thought fit, to pass the following as a special resolution of the Company:

"That, pursuant to, and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Ardent Leisure Limited and the holders of its ordinary shares as contained in and more precisely described in the Securityholder Booklet of which the notice convening this meeting forms part is approved (with or without modification as approved by the Supreme Court of New South Wales)."

By order of the board of Ardent Leisure Limited.

Bronwyn Weir
Company Secretary

10 October 2018

INFORMATION FOR SECURITYHOLDERS

These accompanying explanatory notes form part of this notice and should be read in conjunction with it.

Required majority

The resolution described in the "Business" section of this notice will be passed if it is approved by a majority in number of Securityholders who voted (in person or by proxy or representative) and at least 75% of votes cast by Securityholders entitled to vote on the resolutions.

Voting and proxies

Eligibility to vote

For the purposes of determining entitlement to vote at the Company Scheme Meeting, Ardent Leisure Group Stapled Securities will be taken to be held by those registered as holders at 10.45am on Sunday, 18 November 2018 (Sydney time). Transactions registered after that time will be disregarded in determining Securityholders' entitlement to vote at the Company Scheme Meeting.

Appointing a proxy

You can appoint a proxy to attend and vote on your behalf. A personalised Company Scheme Meeting Proxy Form accompanies this notice.

A proxy need not be a Securityholder and may be an individual or a body corporate.

The Securityholder, or the Securityholder's attorney who has not received any notice of revocation of the authority, must sign the blue Company Scheme Meeting Proxy Form.

Proxies given by a body corporate must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint two proxies to vote, neither proxy may vote on a show of hands if more than one proxy attends. On a poll, each proxy may only exercise votes in respect of those Ardent Leisure Group Stapled Securities or voting rights the proxy represents.

Lodging your Proxy Form

Completed and signed blue Company Scheme Meeting Proxy Forms (together with any power of attorney or other authority under which the appointment was signed or a certified copy of the authority) must be returned by 10.45 am on Sunday, 18 November 2018 (Sydney time).

You can lodge your completed blue Company Scheme Meeting Proxy Form, letter of representation or power of attorney:

(a) in person to:

Ardent Leisure Group
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(b) by mail to:

Ardent Leisure Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 (A reply paid envelope is enclosed)

(c) by fax to:

+61 2 9287 0309

(d) online at:

www.linkmarketservices.com.au

To use this facility you will need your Proxy Form as it contains your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is your Personal Identification Number (PIN) to verify the transmission. You will be taken to have signed your blue Company Scheme Meeting Proxy Form if you lodge it in accordance with the instructions on the website. (Note: this facility is not available for attorneys.)

Proxy Forms may also be delivered to Ardent Leisure Group's registered office at:

Company Secretary
Ardent Leisure Group
Level 8, 60 Miller Street
North Sydney NSW 2060

If you appoint a proxy or attorney, you may still attend the Company Scheme Meeting. However, if you vote on a resolution, the proxy or attorney is not entitled to vote as your proxy or attorney on the resolution. Accordingly, you will be asked if you wish to revoke your proxy if you register to vote at the Company Scheme Meeting.

Undirected and directed proxies

You are encouraged to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the blue Company Scheme Meeting Proxy Form.

If you intend to appoint the Chair of the Company Scheme Meeting as your proxy, or the Chair of the Company Scheme Meeting is appointed as your proxy by default, you can direct him how to vote by marking the relevant boxes on your blue Company Scheme Meeting Proxy Form, or you can leave all of the boxes unmarked and give the Chair of the Company Scheme Meeting your express authority to vote your undirected proxy as he sees fit (in which case the Chair of the Company Scheme Meeting will vote in favour of all items of business).

Corporate Securityholders

Corporate Securityholders who wish to appoint a representative to attend and vote at the Company Scheme Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as that Securityholder's representative. A form of authorisation may be obtained from the Registry.

Admission to Company Scheme Meeting

If you attend the Company Scheme Meeting, please bring your personalised blue Company Scheme Meeting Proxy Form with you. The bar code at the top of the blue Company Scheme Meeting Proxy Form will help you to register. If you do not bring your blue Company Scheme Meeting Proxy Form with you, you will still be able to attend the Company Scheme Meeting, but representatives from the Registry will need to verify your identity.

Corporate representatives are requested to bring a copy of the letter of representation pursuant to which they were appointed.

This will also apply where you appoint a body corporate as your proxy. The body corporate will need to ensure that it appoints an individual as its corporate representative to attend and vote for that corporation at the Company Scheme Meeting. Attorneys are requested to bring a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required.

You will be able to register from 9.00 am (Sydney time) on the day of the Company Scheme Meeting.

Webcast and your privacy

A live audio webcast of the Company Scheme Meeting will be available on Ardent Leisure Group's website at www.ardentleisure.com within 24 hours after the meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Company Scheme (with or without modification) must be approved by an order of the Court. If the Company Scheme Resolution put to the Company Scheme Meeting is passed by the required majorities and the other conditions precedent to the Company Scheme are satisfied or waived (including each of the General Meetings Resolutions being passed by the unitholders of the Ardent Leisure Trust and the shareholders of Ardent Leisure Limited, Ardent Leisure Limited intends to apply to the Court on Wednesday, 28 November 2018 for approval of the Company Scheme.

For personal use only

Annexure F Combined Notice of General Meetings

Notice is hereby given that the extraordinary general meetings of members of Ardent Leisure Limited and the Ardent Leisure Trust will be held concurrently on Tuesday, 20 November 2018 commencing at 11.00 am (Sydney time) (or as soon thereafter as the Company Scheme Meeting has concluded or been adjourned) at The Mint, 10 Macquarie Street, Sydney, NSW 2000.

Information in relation to the Resolutions below is set out in the Securityholder Booklet that accompanies this notice. Terms used in this notice have the same meaning as set out in the Glossary in the Securityholder Booklet, unless indicated otherwise.

The Court has directed that Dr Gary Weiss act as chair of the meeting or, failing him, Mr David Haslingden.

The quorum for the meeting of the Ardent Leisure Limited is at least two members present in person or by representative holding shares in Ardent Leisure Limited.

The quorum for the meeting of the Ardent Leisure Trust is at least two members present in person or by proxy together holding at least 10% of all units in the Ardent Leisure Trust.

If the quorum is not present within 15 minutes or a longer period allowed by the Chair, the combined meetings will be adjourned to a time and place determined by Ardent Leisure Group Directors.

BUSINESS OF THE GENERAL MEETINGS

The business to be considered at the General Meetings is to consider and, if thought fit, to pass the following resolutions of members of Ardent Leisure Limited and the Ardent Leisure Trust (as applicable) (each, a General Meetings Resolution):

1. Amendments to the Ardent Leisure Trust Constitution

To consider and, if thought fit, to pass the following as a special resolution of the Ardent Leisure Trust:

"That:

- (a) subject to and conditional upon the Company Scheme becoming Effective, the Ardent Leisure Trust Constitution be amended in accordance with the provisions set out in Annexure D and contained in the Trust Constitution Deed Poll tabled at the Meetings and initialled by the Chairman for the purposes of identification; and*
- (b) Ardent Leisure Management Limited, as responsible entity of the Ardent Leisure Trust, be authorised to execute the Trust Constitution Deed Poll and lodge it with ASIC to give effect to the Ardent Leisure Trust Constitution Amendments."*

2. Destapling of Ardent Leisure Group Stapled Securities

To consider and, if thought fit, to pass the following as a special resolution of each of Ardent Leisure Limited and the Ardent Leisure Trust:

"That, subject to and conditional upon the Schemes becoming Effective, the Destapling of the ALL Shares and the Trust Units in accordance with the terms of the ALL Constitution and the Trust Constitution, respectively, be approved."

3. Acquisition of Ardent Leisure Trust Units

To consider and, if thought fit, to pass the following as an ordinary resolution of the Ardent Leisure Trust:

"That, subject to and conditional upon the Schemes becoming Effective, the acquisition by NewCo of a relevant interest in all of the Trust Units in connection with the implementation of the Trust Scheme, be approved for the purposes of item 7 of section 611 of the Corporations Act."

By order of the boards of Ardent Leisure Limited and Ardent Leisure Management Limited, as responsible entity of the Ardent Leisure Trust.

Bronwyn Weir
Company Secretary

10 October 2018

INFORMATION FOR SECURITYHOLDERS

These accompanying explanatory notes form part of this notice and should be read in conjunction with it.

General Meetings

At present, Ardent Leisure Limited Shares and Ardent Leisure Trust Units are stapled together to form Ardent Leisure Group Stapled Securities in accordance with the Ardent Leisure Group Constitutions. This means that all Ardent Leisure Group Securityholders are shareholders of Ardent Leisure Limited and unitholders of the Ardent Leisure Trust and, as such, the meetings of these two entities are held concurrently.

Required majority

The resolutions described in item 1 and item 2 of the "Business" section of this notice are special resolutions and will be passed if at least 75% of votes cast by Securityholders entitled to vote on the resolutions are cast in favour of the resolution.

The resolution described in item 3 of the "Business" section of this notice is an ordinary resolution and will be passed if more than 50% of votes cast by Securityholders entitled to vote on the resolution are cast in favour of the resolution.

Voting and proxies

Eligibility to vote

For the purposes of determining entitlement to vote at the General Meetings, Ardent Leisure Group Stapled Securities will be taken to be held by those registered as holders at 11.00 am on Sunday, 18 November 2018 (Sydney time). Transactions registered after that time will be disregarded in determining Securityholders' entitlement to vote at the General Meetings.

Voting exclusions

In accordance with section 253E of the Corporations Act, Ardent Leisure Management Limited and its associates are not entitled to vote their interest on any resolutions of the Ardent Leisure Trust if they have an interest in the resolution or matter other than as a member.

In accordance with item 7 of section 611 of the Corporations Act, NewCo and its associates are not permitted to vote on the resolution described in item 2 of the "Business" section of this notice to the extent that they hold any voting rights.

Appointing a proxy

You can appoint a proxy to attend and vote on your behalf. A personalised green General Meetings Proxy Form accompanies this notice.

A proxy need not be a Securityholder and may be an individual or a body corporate.

The Securityholder, or the Securityholder's attorney who has not received any notice of revocation of the authority, must sign the green General Meetings Proxy Form.

Proxies given by a body corporate must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorised officer or attorney.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes.

If you appoint two proxies to vote, neither proxy may vote on a show of hands if more than one proxy attends. On a poll, each proxy may only exercise votes in respect of those Ardent Leisure Group Stapled Securities or voting rights the proxy represents.

Lodging your General Meetings Proxy Form

Completed and signed green General Meetings Proxy Forms (together with any power of attorney or other authority under which the appointment was signed or a certified copy of the authority) must be returned by 11.00 am on Sunday, 18 November 2018 (Sydney time).

You can lodge your completed green General Meetings Proxy Form, letter of representation or power of attorney:

(a) in person to:

Ardent Leisure Group
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(b) by mail to:

Ardent Leisure Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 (A reply paid envelope is enclosed)

(c) by fax to:

+61 2 9287 0309

(d) online at:

www.linkmarketservices.com.au

To use this facility you will need your green General Meetings Proxy Form as it contains your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is your Personal Identification Number (PIN) to verify the transmission. You will be taken to have signed your green General Meetings Proxy Form if you lodge it in accordance with the instructions on the website. (Note: this facility is not available for attorneys.)

General Meetings Proxy Forms may also be delivered to Ardent Leisure Group's registered office at:

Company Secretary
Ardent Leisure Group
Level 8, 60 Miller Street
North Sydney NSW 2060

If you appoint a proxy or attorney, you may still attend the General Meetings. However, if you vote on a resolution, the proxy or attorney is not entitled to vote as your proxy or attorney on the resolution. Accordingly, you will be asked if you wish to revoke your proxy if you register to vote at the General Meetings.

Undirected and directed proxies

You are encouraged to actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the green General Meetings Proxy Form.

If you intend to appoint the Chair of the General Meetings as your proxy, or the Chair of the General Meetings is appointed as your proxy by default, you can direct him how to vote by marking the relevant boxes on your green General Meetings Proxy Form, or you can leave all of the boxes unmarked and give the Chair of the General Meetings your express authority to vote your undirected proxy as he sees fit (in which case the Chair of the General Meetings will vote in favour of all items of business).

Corporate Securityholders

Corporate Securityholders who wish to appoint a representative to attend and vote at the General Meetings on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as that Securityholder's representative. A form of authorisation may be obtained from the Registry.

Admission to General Meetings

If you attend the General Meetings, please bring your personalised green General Meetings Proxy Form with you. The bar code at the top of the green General Meetings Proxy Form will help you to register. If you do not bring your Proxy Form with you, you will still be able to attend the General Meetings, but representatives from the Registry will need to verify your identity.

Corporate representatives are requested to bring a copy of the letter of representation pursuant to which they were appointed.

This will also apply where you appoint a body corporate as your proxy. The body corporate will need to ensure that it appoints an individual as its corporate representative to attend and vote for that corporation at the General Meetings. Attorneys are requested to bring a certified copy of the power of attorney pursuant to which they were appointed. Proof of identity will also be required.

You will be able to register from 9.00 am (Sydney time) on the day of the General Meetings.

Webcast and your privacy

A live audio webcast of the General Meetings will be available on Ardent Leisure Group's website at www.ardentleisure.com within 24 hours after the meeting.

For personal use only

Glossary

Term	Meaning
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
AFSL	Australian financial services licence.
ASIC	the Australian Securities and Investments Commission.
ASX	the ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.
ATO	Australian Taxation Office.
A\$ or AUD	Australian dollars.
Agent	Australia And New Zealand Banking Group Limited ABN 11 005 357 522 acting as agent under the "Syndicated Facility Agreement" dated 5 October 2001 (as amended and restated from time to time).
ALG Securityholder Information Line	1300 502 987 (toll free from within Australia) or +61 2 8022 7944 (outside Australia) at any time from 9.00 am to 5.00 pm (Sydney time) Monday to Friday.
ALL or Ardent Leisure Limited	Ardent Leisure Limited (ABN 22 104 529 106).
ALL Constitution	the constitution of ALL.
ALL Share	a fully paid ordinary share in the capital of ALL.
ALL Shareholder	a person registered as the holder of an ALL Share, including any person jointly registered.
ALML or Ardent Leisure Management Limited	Ardent Leisure Management Limited (ABN 36 079 630 676).
Annual General Meeting or AGM	the combined annual general meeting of ALL and the Trust.
Ardent Leisure Group or Group	the Ardent Leisure group comprising ALL and the Trust or, following implementation of the Proposal, NewCo, and in each case including all of their respective controlled entities, as the context requires.
Ardent Leisure Group Constitutions	the ALL Constitution and the Trust Constitution.
Ardent Leisure Group Directors	the directors of Ardent Leisure Group, and including the directors of ALML in its capacity as responsible entity of the Trust.
Ardent Leisure Group Securityholder or Securityholder	a person who is registered in the Register as the holder of Ardent Leisure Group Stapled Securities or as the holder of NewCo Shares, as the case may be.
Ardent Leisure Group Stapled Security	an ALL Share and a Trust Unit which are stapled such that they can only be dealt with together.

Term	Meaning
Aust HoldCo	a newly-incorporated wholly owned subsidiary of NewCo, as described in section 6.13.
Australian Tax Letter	the Australian taxation letter from Ernst & Young, as set out in section 9.
Australian Theme Parks	Dreamworld and WhiteWater World in Coomera, Queensland and the SkyPoint observation deck and climb in Surfers Paradise, Queensland.
Business Day	a Business Day within the meaning given in the Listing Rules.
CHESS	Clearing House Electronic Sub-register System, operated in accordance with the Corporations Act.
Company Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between ALL and all Ardent Leisure Group Securityholders (in their capacity as holders of ALL Shares), under which all ALL Shares will be transferred to NewCo and Eligible Securityholders will receive NewCo Shares as scrip consideration for their ALL Shares on a 1:1 basis, substantially in the form contained in Annexure C, together with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.
Company Scheme Meeting	the meeting of ALL Shareholders in relation to the Company Scheme convened by order of the Court pursuant to section 411(1) of the Corporations Act, and includes any adjournment of that meeting, the notice for which is set out at Annexure E.
Company Scheme Meeting Proxy Form	the blue proxy form for the Company Scheme Meeting which accompanies this Securityholder Booklet.
Company Scheme Resolution	the resolution to approve the Company Scheme, to be considered by Ardent Leisure Group Securityholders at the Company Scheme Meeting.
Coronial Inquiry	the coronial inquest into an incident that occurred at Dreamworld on 25 October 2016 that resulted in four fatalities at the theme park.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Court	the Supreme Court of New South Wales.
CPI	Consumer Price Index.
Delisting	means the removal of the ALL Shares and the Trust Units from the official list of the ASX.
Destapling	means the destapling of the ALL Shares from the Trust Units such that they are not required to be dealt with together and Destaple shall be construed accordingly.
DRP	distribution reinvestment plan or dividend reinvestment plan as the context requires.
DSTIP	Ardent Leisure Group's Deferred Short Term Incentive Plan.
EBIT	earnings before interest and taxes.
EBITDA	earnings before interest, taxes, depreciation and amortisation.

Term	Meaning
Effective	<p>(a) in relation to the Company Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) but in any event at no time before an office copy of the orders of the Court is lodged with ASIC, and</p> <p>(b) in relation to the Trust Scheme, the Trust Constitution Amendments coming into effect pursuant to section 601GC(2) of the Corporations Act.</p>
Effective Date	the earliest date on which both of the Schemes become Effective.
Eligible Foreign Securityholder	<p>(a) each Foreign Securityholder whose address is recorded on the Register as at the Record Date as being in one of the jurisdictions listed in section 6.15 (provided that where any condition as set out in section 6.15 is imposed on that Foreign Securityholder, such condition has been satisfied); and</p> <p>(b) any Foreign Securityholder whose address is recorded on the Register as at the Record Date in a jurisdiction other than as set out in (a) above, but where Ardent Leisure Group determines it is lawful and not unduly onerous for that Foreign Securityholder to receive NewCo Shares under the Proposal.</p>
Eligible Securityholder	<p>(a) each Ardent Leisure Group Securityholder whose address is recorded on the Register as at the Record Date as being in Australia or its external territories;</p> <p>(b) each Eligible Foreign Securityholder; and</p> <p>(c) the Sale Agent (in respect of Ardent Leisure Group Stapled Securities held by Ineligible Foreign Securityholders on the Record Date).</p>
End Date	31 March 2019 or such other date as determined in accordance with the Implementation Deed.
Financial Information	the financial information as defined in section 8.
First Court Hearing	the hearing of applications made to the Court for orders under section 411(1) of the Corporations Act convening the Company Scheme Meeting and for judicial advice in relation to the convening of the meeting of members of the Trust to approve the Trust Constitution Amendments.
Foreign HoldCo	a newly-incorporated wholly owned subsidiary of NewCo, as described in section 6.13.
Foreign Securityholder	<p>a Securityholder:</p> <p>(a) who is (or who is acting on behalf of) a citizen or resident of a jurisdiction other than Australia and its external territories; or</p> <p>(b) whose address shown in the Register is a place outside Australia</p>

Term	Meaning
	and its external territories (or who is acting on behalf of such a person).
FY2018	the financial year ending on 26 June 2018.
General Meetings	the extraordinary general meetings of ALL Shareholders and Trust Unit Holders held concurrently, the notice for which is set out at Annexure F.
General Meetings Proxy Form	the green proxy form for the General Meetings which accompanies this Securityholder Booklet.
General Meetings Resolutions	the resolutions to approve the Destapling and the Trust Scheme as set out in Annexure F, to be considered by Ardent Leisure Group Securityholders at the General Meetings.
GST	a goods and services tax, or a similar value added tax, levied or imposed under the GST Law.
GST Law	has the meaning given to it in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Historical Financial Information	the historical financial information as defined in section 8.
IFRS	International Financial Reporting Standards.
Implementation Date	24 December 2018, or such other date as is determined in accordance with the Implementation Deed.
Implementation Deed	the Implementation Deed dated 5 October 2018 between ALL, ALML, in its capacity as responsible entity of the Trust, and NewCo, as described in section 11.3.
Independent Expert	Deloitte Corporate Finance Pty Limited (ACN 008 833 127) (AFSL No. 241457).
Independent Expert's Report	the report of the Independent Expert, set out at Annexure A.
Independent Limited Assurance Report	the report of the Investigating Accountant, as set out in Annexure B.
Ineligible Foreign Securityholder	a Foreign Securityholder who is not an Eligible Foreign Securityholder. In relation to an Ineligible Foreign Securityholder, this reference only applies to that number of its Ardent Leisure Group Stapled Securities in respect of which Ardent Leisure Group has determined it is ineligible to receive NewCo Shares.
Investigating Accountant	Ernst & Young Transaction Advisory Services Limited (ACN 003 599 844).
Listing Rules	the listing rules of the ASX and any other rules of the ASX which are applicable to any of Ardent Leisure Group, subject to any waiver or exemption granted to Ardent Leisure Group from compliance with those rules.
LTIP	Ardent Leisure Group's Long Term Incentive Plan.

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Term	Meaning
Main Event	the business comprised of the US Entertainment Centres.
Market Capitalisation	the total market value of an entity's issued securities, calculated by multiplying the number of the entity's issued securities by the market value of one of those securities.
Meetings	the Company Scheme Meeting and the General Meetings.
MLE	a term used in the Trust Constitution and simply reflecting the historical name of the Trust as Macquarie Leisure and Entertainment Trust rather than its current name of Ardent Leisure Trust
NewCo	Ardent Leisure Group Limited ACN 628 881 603, to be quoted on the ASX under the code ALG.
NewCo Constitution	the constitution of NewCo.
NewCo Deed Poll	the deed poll under which NewCo covenants in favour of each Eligible Securityholder and each Ineligible Foreign Securityholder to perform acts attributed to it under the Schemes.
NewCo Directors	the directors of NewCo.
NewCo Share	a fully paid ordinary share in NewCo.
NewCo Shareholder	a person registered as the holder of a NewCo Share, including any person jointly registered.
Notice of General Meetings	the notice of meeting set out in Annexure F.
Notice of Company Scheme Meeting	the notice of meeting set out in Annexure E.
Participate	to receive NewCo Shares under the Proposal.
Performance Rights	Performance rights granted by the Ardent Leisure Group in favour of participants pursuant to the LTIP and DSTIP which as at the date of this Securityholder Booklet entitle participants to one Ardent Leisure Group Stapled Security upon vesting and exercise of each performance right.
Pro Forma Historical Financial Information	the pro forma historical financial information as defined in section 9.
Proposal	<p>the arrangement described in this Securityholder Booklet by which Ardent Leisure Group is restructured to simplify its existing stapled structure which involves the following key elements:</p> <ul style="list-style-type: none"> (a) the admission of NewCo to the official list of ASX and quotation of NewCo Shares on the ASX; (b) the Destapling; (c) the Company Scheme; (d) the Trust Scheme; (e) the operation of the Sale Facility; and (f) the Delisting

Term	Meaning
	For the avoidance of doubt, the Restructure does not form part of the Proposal.
Proxy Forms	the Company Scheme Meeting Proxy Form and the General Meetings Proxy Forms.
Record Date	7.00 pm on Monday, 3 December 2018 or such other time as is determined in accordance with the Implementation Deed.
Register	the register of Ardent Leisure Group Securityholders.
Registry	Link Market Services Limited (ABN 54 083 214 537).
Resolutions	the Company Scheme Resolution and the General Meetings Resolutions.
Restructure	an internal restructuring whereby NewCo's holdings in ALL and the Trust are transferred to a newly-incorporated wholly owned subsidiary of NewCo (Aust HoldCo) and the overseas assets of ALL (being the shares in the US holding company of the group that holds the US Entertainment Centres), are transferred to a second newly-incorporated wholly owned subsidiary of NewCo (Foreign HoldCo).
Sale Agent	UBS AG, Australia Branch (ABN 47 088 129 613).
Sale Facility	the facility under which Ardent Leisure Group Stapled Securities held by Ineligible Foreign Securityholders are transferred to the Sale Agent and NewCo Shares are sold, and net sale proceeds are returned to Ineligible Foreign Securityholders as described in section 10.3.
Sale Facility Agreement	the agreement to be entered into between ALL, ALML (in its capacity as responsible entity of the Trust), NewCo and the Sale Agent in respect of the Sale Facility.
Schemes	the Company Scheme and the Trust Scheme.
Second Court Hearing	the hearing of applications made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Company Scheme and for judicial advice in relation to the Trust Scheme.
Second Court Hearing Date	the date of the Second Court Hearing.
Securityholder or Ardent Leisure Group Securityholder	a person who is registered in the Register as the holder of Ardent Leisure Group Stapled Securities or as the holder of NewCo Shares, as the case may be.
Securityholder Booklet	this document dated 10 October 2018, which includes the notices of meetings, explanatory statement and accompanying materials in connection with the Proposal to be provided to Securityholders.
Share Consolidation	the 2:1 consolidation of NewCo Shares that will occur immediately after the issue of NewCo Shares under the Proposal.
TFN	tax file number.
Trust or Ardent Leisure Trust	Ardent Leisure Trust (ARSN 093 193 438) constituted under the Trust Constitution.

Term	Meaning
Trust Constitution	the trust deed entitled Constitution — Ardent Leisure Trust dated 6 February 1998 as amended from time to time.
Trust Constitution Amendments	the amendments to the Trust Constitution to enable the Trust Scheme contained in Annexure D.
Trust Constitution Deed Poll	a supplemental deed poll to be executed by ALML (in its capacity as responsible entity of the Trust) to give effect to the Trust Constitution Amendments.
Trust Scheme	the “trust scheme” between ALML (in its capacity as responsible entity of the Trust) and all Ardent Leisure Group Securityholders (in their capacity as holders of Trust Units), under which all Trust Units will be transferred to NewCo and Eligible Securityholders will receive NewCo Shares as scrip consideration for their Trust Units on a 1:1 basis.
Trust Unit	a fully paid ordinary unit in the Trust.
Trust Unit Holders	a person registered as the holder of a Trust Unit, including any person jointly registered.
US or United States	the United States of America.
USD or US\$	United States dollars.
US Entertainment Centres	the Main Event branded entertainment centres in, as at the date of this Securityholder Booklet, Texas, Arizona, Georgia, Illinois, Kentucky, Missouri, New Mexico, Ohio, Oklahoma, Kansas, Florida, Indiana, Pennsylvania and Tennessee, United States.

Corporate directory

Ardent Leisure Group

Ardent Leisure Limited
Ardent Leisure Management Limited as
responsible entity of Ardent Leisure Trust
Ardent Leisure Group Limited
Level 8, 60 Miller Street
North Sydney NSW 2060

ALG Securityholder Information Line

1300 502 987 (toll free from within Australia) or
on +61 2 8022 7944 (outside Australia)

Ardent Leisure Group website

www.ardentleisure.com

Registry

Link Market Services Limited,
1A Homebush Bay Drive,
Rhodes NSW 2138

Australian legal adviser

Gilbert + Tobin
Level 35, Tower Two,
International Towers Sydney,
200 Barangaroo Avenue,
Barangaroo NSW 2000

Independent Expert

Deloitte Corporate Finance Pty Limited
Grosvenor Place
225 George Street
Sydney NSW 2000

Investigating Accountant

Ernst & Young Transaction Advisory Services
Limited
The EY Centre
Level 34
200 George Street
Sydney NSW 2000

External Auditor

Ernst & Young
The EY Centre
Level 34
200 George Street
Sydney NSW 2000



ARDENT LEISURE

Ardent Leisure Group
Comprising
Ardent Leisure Trust
ARSN 093 193 438
(Manager: Ardent Leisure Management Limited
ABN 36 079 630 676, AFS Licence No. 247010) and
Ardent Leisure Limited
ABN 22 104 529 106

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Ardent Leisure Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

ALL SCHEME MEETING ENQUIRIES TO
Telephone: 1300 502 987 Overseas: +61 2 8022 7944

ALL GENERAL SHAREHOLDER ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X999999999999

PROXY FORM

I/We being a member(s) of Ardent Leisure Limited (the **Company**) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **10:45am (Sydney time) on Tuesday, 20 November 2018 at The Mint, 10 Macquarie Street, Sydney NSW 2000 (the Meeting)** (or as soon thereafter as the Annual General Meeting has concluded or been adjourned) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolution

For Against Abstain*

1 That, pursuant to, and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Ardent Leisure Limited and the holders of its ordinary shares as contained in and more precisely described in the Securityholder Booklet of which the notice convening this meeting forms part is approved (with or without modification as approved by the Supreme Court of New South Wales).

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:45am (Sydney time) on Sunday, 18 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Ardent Leisure Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



ARDENT LEISURE

Ardent Leisure Group
Comprising
Ardent Leisure Trust
ARSN 093 193 438
(Manager: Ardent Leisure Management Limited
ABN 36 079 630 676, AFS Licence No. 247010) and
Ardent Leisure Limited
ABN 22 104 529 106

LODGE YOUR VOTE

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Ardent Leisure Group
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Locked Bag A14
Sydney South NSW 1235 Australia

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ALL GENERAL SHAREHOLDER ENQUIRIES TO
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X999999999999

PROXY FORM

I/We being a member(s) of Ardent Leisure Group and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meetings (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meetings, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meetings of Ardent Leisure Group to be held at **11:00am (Sydney time) on Tuesday, 20 November 2018 at The Mint, 10 Macquarie Street, Sydney NSW 2000 (the Meetings)** (or as soon thereafter as the Company Scheme Meeting has concluded or been adjourned) and at any postponement or adjournment of the Meetings.

The Chairman of the Meetings intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by Ardent Leisure Group if they are signed and received no later than 48 hours before the Meetings.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Amendments to the Ardent Leisure Trust Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 De-stapling of Ardent Leisure Group Stapled Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Acquisition of Ardent Leisure Trust Units	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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For personal use only

STEP 1

STEP 2

STEP 3



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Ardent Leisure Group's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meetings as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meetings as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of Ardent Leisure Group.

DEFAULT TO CHAIRMAN OF THE MEETINGS

Any directed proxies that are not voted on a poll at the Meetings will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meetings will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meetings and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Ardent Leisure Group's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Sydney time) on Sunday, 18 November 2018**, being not later than 48 hours before the commencement of the Meetings. Any Proxy Form received after that time will not be valid for the scheduled Meetings.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Ardent Leisure Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETINGS, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



Ardent Leisure Group
 Comprising
Ardent Leisure Trust
 ARSN 093 193 438
 (Manager: Ardent Leisure Management Limited
 ABN 36 079 630 676, AFS Licence No. 247010) and
Ardent Leisure Limited
 ABN 22 104 529 106

All Registry communications to:
 Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia
 Telephone: +61 1300 554 474
 Facsimile: +61 2 9287 0303
 ASX Code: AAD

Email: registrars@linkmarketservices.com.au
 Website: www.linkmarketservices.com.au



X99999999999

A

TAX FILE NOTIFICATION

Please use a **BLACK** pen. Print **CAPITAL** letters inside the shaded areas.

A B C

1 2 3

Where a choice is required, mark the box with an 'X'

X

Under Australian tax law, a company is entitled to ask its securityholders to disclose their tax file numbers (TFN) to the company. A securityholder can choose to disclose or not disclose their TFN.

If a securityholder chooses not to disclose their TFN or details of any relevant exemptions to the company, the company is required under Australian tax law to withhold tax at the top marginal tax rate plus the Medicare levy, on any dividends paid to the securityholder, unless the dividend is fully franked. If the tax withheld by the company is more than the securityholder would have paid in tax, the securityholder must wait until he or she lodges an income tax return before being entitled to an income tax offset or refund (as applicable) of any excess tax withheld from the dividend payment. On the other hand, if a securityholder chooses to disclose their TFN or details of any relevant exemptions, the company does not have to withhold any tax from any dividends paid to the securityholder.

As part of the Proposal and as further set out in the Ardent Leisure Group Securityholder Booklet dated 10 October 2018, Ardent Leisure Group (or the Registry) will, unless otherwise directed by the Ardent Leisure Group Securityholders, transfer the TFNs provided

to Ardent Leisure Group by Ardent Leisure Group Securityholders to NewCo (or the Registry) on behalf of the Ardent Leisure Group Securityholders in respect of their tax affairs so that NewCo will not otherwise be required to withhold tax from any dividend payments.

However, a Securityholder may request that Ardent Leisure Group not transfer that Securityholder's TFN to NewCo.

If you would not like Ardent Leisure Group to transfer your TFN to NewCo (and therefore you accept that NewCo may be required to withhold tax at the top marginal tax rate plus Medicare levy on dividends payable to you), please complete the appropriate section below and return it to Ardent Leisure Group or write to the Registry before the Effective Date.

If a Securityholder does not indicate below or specify otherwise in writing that they do not wish their TFN to be disclosed and collected in accordance with the process discussed above, they are deemed under the terms of the Proposal to agree to such disclosure and collection of their TFN.

Capitalised terms used here but not defined have meaning given to them in the Ardent Leisure Group Securityholder Booklet dated 10 October 2018.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Do not transfer TFN

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Do not transfer TFN

Joint Securityholder 3 (Individual)

Director

Do not transfer TFN

Personal Information Collection Notification Statement: Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

AAD TFN002

