



22 January 2018

Company Announcements Office  
Australian Securities Exchange Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**Aristocrat Leisure Limited**  
**2018 AGM Notice of Meeting**

In accordance with Listing Rule 3.17, please find attached the Notice of Meeting and Proxy Form for the Company's Annual General Meeting, to be held on Thursday, 22 February 2018.

The Annual Report for the 12 months ended 30 September 2017 was previously released to the ASX on 22 December 2017.

These documents were dispatched to shareholders on Saturday 20<sup>th</sup> January 2018, in accordance with their elections.

These documents are also available on the Group's website at [www.aristocrat.com](http://www.aristocrat.com).

Yours sincerely

A handwritten signature in blue ink, appearing to read "Richard Bell".

Richard Bell  
Company Secretary



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# ARISTOCRAT LEISURE LIMITED

## NOTICE OF 2018 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Thursday, 22 February 2018 at 11.00am (Sydney time)

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# 2018 ANNUAL GENERAL MEETING

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Dear shareholder

## 2018 ANNUAL GENERAL MEETING

On behalf of the Board, I am pleased to invite you to attend the 2018 Annual General Meeting (Meeting) of Aristocrat Leisure Limited (Company or Aristocrat) which has been scheduled as follows:

**Date:** Thursday, 22 February 2018

**Time:** 11.00am (Sydney time) with registration and the showroom open from 10.00am

**Location:** Aristocrat Head Office, Building A, Pinnacle Office Park, 85 Epping Road, North Ryde, New South Wales, 2113

A map and transportation instructions follow for your information.

The Company's showroom will be open from 10.00am and I invite you to come and see our exciting range of games which will be on display.

If you would like to attend the Meeting, please bring the enclosed proxy form with you, as the barcode printed on it will assist your registration and admission.

The Notice of Meeting in the following pages details the business of the Meeting and, together with the Explanatory Statement, contains important information in relation to the matters to go before shareholders.

Shareholders unable to attend the Meeting will be able to watch and listen to proceedings via webcast which will be accessible from a link on the Company's website. Please note that viewing the webcast does not count as attendance at the Meeting.

If you are unable to attend the Meeting but wish to appoint a proxy, please complete and return the enclosed proxy form so that it is received prior to 11.00am on Tuesday, 20 February 2018.

We have also enclosed a form for those who cannot attend the Meeting but would like to submit questions on any shareholder matters that may be relevant to the Meeting.

## Overview of the year ending 30 September 2017

Aristocrat reported strong performance over the 2017 fiscal year, further extending the business' trajectory of consistent and high quality growth in NPATA (net profit after tax and before amortisation of acquired intangibles). Group revenue increased by more than 15% in reported terms and over 18% in constant currency compared to the prior corresponding year, to a record result of over \$2.45 billion. This reflected performance across the Group's global portfolio, in particular outstanding momentum in the Americas, significant growth in the Digital and International CIII segments and sustained strength in Australian markets.

A robust balance sheet ensures Aristocrat can continue to promote shareholders' longer-term interests by investing for growth both organically and inorganically, wherever compelling, accretive opportunities are identified.

The acquisition of Plarium Global Ltd, announced during the year and closed in October 2017, is a further demonstration of Aristocrat's increasingly global orientation, and readiness to invest in M&A that meets our rigorous criteria wherever those opportunities may be located around the world. The addition of Plarium to our business significantly increases our presence in the high-growth social games market and materially expands our addressable digital market. The acquisition will also further lift Aristocrat's recurring revenue base and digital capabilities, consistent with our ambitious growth strategy.

While it was announced after the close of the 2017 financial year, it is also relevant to note Aristocrat's agreement to acquire the social games business Big Fish. Big Fish is one of the top six digital social casino game publishers globally. It also has a significant presence in the casual free to play segment, and strong capability in the fast-growing Social Casino meta-game segment that is complementary to Aristocrat's existing strength in content-only driven apps. On a combined basis, the revenues of Product Madness and Big Fish will position Aristocrat as the clear #2 social digital casino publisher in the world, and further cement our status as a leading digital game content business, in addition to being a market-leading CIII and CII gaming company.

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# 2018 ANNUAL GENERAL MEETING

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Aristocrat's sustained momentum, strong cash flows and swift progress in reducing gearing levels over the course of the 2017 fiscal year allowed the Board to deliver another significant increase in earnings per share, consistent with our commitment to lift dividends over time.

The Board has also continued to renew in an orderly way, and expand our overall skill set in line with the business' growth and evolving needs. In December 2017, we were pleased to nominate Neil Chatfield to the Board as a Director (Elect). Neil is an experienced and established Executive and Non-Executive Director, having previously served on the Boards of Toll Holdings Ltd, Virgin Australia Holdings Ltd and Recall Holdings Ltd. Neil is currently Chair and non-Executive Director of Seek Ltd and Costa Group Holdings Ltd respectively, among other appointments. The Board supports Neil's election by shareholders at the Annual General Meeting on Thursday, 22 February 2018.

Dr Rosalind (Ros) Dubs has informed the Board that she intends to retire from the Board at the end of the upcoming Annual General Meeting and will therefore not be standing for re-election by shareholders at that meeting. I would like to take this opportunity to thank Ros for her long standing and valuable service to Aristocrat and its shareholders over the past 9 years, particularly in her roles as Chair of the Regulatory & Compliance, Human Resources & Remuneration and Innovation & Development Committees.

The business completed a successful CEO leadership transition during the year, with Trevor Croker taking over from Jamie Odell on 1 March 2017. Our focus on ensuring appropriate continuity, in the interests of shareholders and other key stakeholders, is evident in the business' sustained performance momentum and progress in executing our growth strategy delivered during the year.

In short, fiscal year 2017 has been another highly successful and rewarding year for Aristocrat. I encourage shareholders to attend the Annual General Meeting on Thursday, 22 February 2018 and look forward to your participation.

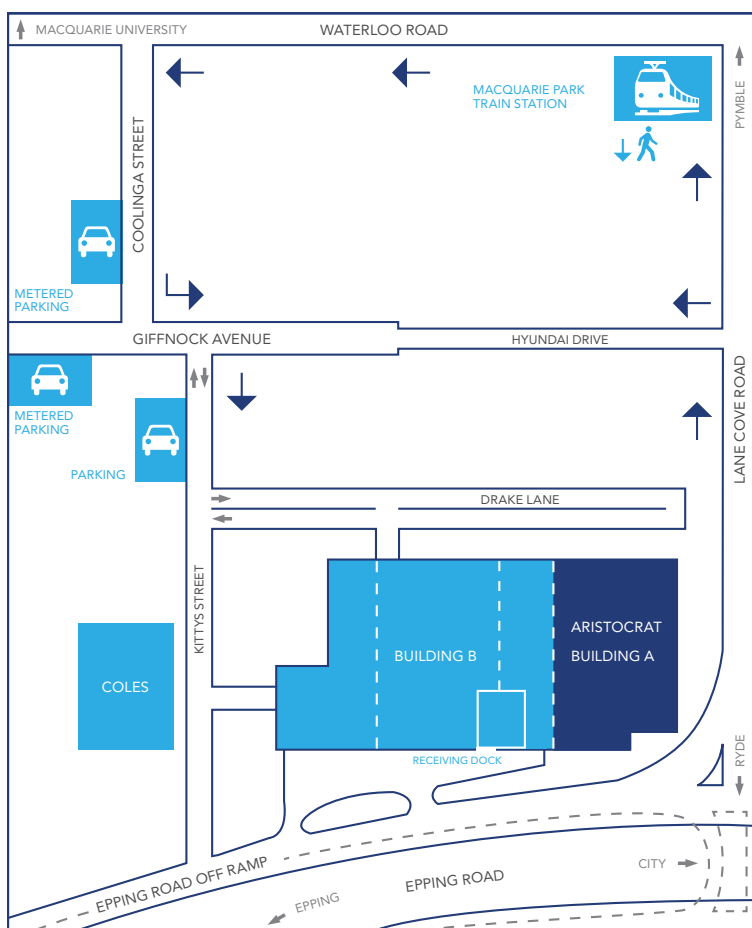
Thank you for your continued interest, and support.

Yours sincerely



**Ian Blackburne**  
Chairman

# NOTICE OF 2018 ANNUAL GENERAL MEETING



## MAP AND TRANSPORT

### Parking

Metered street parking is available on Giffnock Avenue and Coolinga Street. Limited free parking is also available on Kittys Street.

### Public transport

The Aristocrat Head Office is less than a five minute walk from Macquarie Park train station (part of the Epping to Chatswood rail line).

Macquarie Park is also serviced by over 30 bus routes.

**For more specific information about public transport routes and timetables, contact NSW Transport on 131 500 or visit [Transportnsw.info](http://Transportnsw.info)**

Notice is given that the Annual General Meeting (Meeting) of the shareholders of Aristocrat Leisure Limited (Company or Aristocrat) will be held at the time and location, and to conduct the business, specified below:

**Date:** Thursday, 22 February 2018  
**Time:** 11.00am (Sydney time)  
**Location:** Aristocrat Head Office  
Building A, Pinnacle Office Park  
85 Epping Road  
North Ryde, New South Wales, 2113

For shareholders unable to attend the Meeting, you will be able to watch and listen to the business of the Meeting via webcast. Viewing the webcast does not count as attendance at the Meeting. For further information about the webcast, please visit the Company's website, [www.aristocrat.com](http://www.aristocrat.com).

The Explanatory Statement to this Notice of Meeting provides further details.

# NOTICE OF 2018 ANNUAL GENERAL MEETING

## BUSINESS OF THE MEETING

### - Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2017.

### - Resolution 1: Appointment of Director - Mr N Chatfield

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr N Chatfield, in accordance with clause 13.8 of the Constitution of the Company, be appointed as a Director of the Company, with such appointment not to take effect until the receipt of, and subject to, all relevant regulatory pre-approvals."*

Note: Information about Mr Chatfield appears in the Explanatory Statement to this Notice of Meeting.

### - Resolution 2: Increase in Non-Executive Directors' fee cap

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That, pursuant to clause 13.11 of the Constitution and ASX Listing Rule 10.17, the maximum amount of Non-Executive Directors' fees for their services as Non-Executive Directors be increased from the present limit of \$2,750,000 per annum in aggregate to a limit of \$3,200,000 per annum in aggregate."*

**Voting exclusion:** The Company will disregard any votes on this resolution:

- cast in favour of this resolution by or on behalf of a Director of the Company and any of their associates; and
- cast as a proxy by a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as a proxy for a person permitted to vote on Resolution 2 who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy, having expressly authorised the chair of the Meeting to vote on this resolution even though it is connected with the remuneration of KMP.

### - Resolution 3: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director under the Long-Term Incentive Plan

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr Trevor Croker, Chief Executive Officer and Managing Director, be granted a maximum of 136,383 Performance Share Rights pursuant to the Company's Long Term Incentive Program, in the manner set out in the*

*Explanatory Statement to this Notice of Meeting and that this be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."*

**Voting exclusion:** The Company will disregard any votes cast on this resolution:

- by or on behalf of Mr Croker and any of his associates (regardless of the capacity in which the vote is cast); and
- as a proxy by a member of the Company's Key Management Personnel (KMP) at the date of the Meeting or their closely related parties, unless the vote is cast as a proxy for a person permitted to vote on Resolution 3 who has either:
- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy, having expressly authorised the chair of the Meeting to vote on this resolution even though it is connected with the remuneration of KMP.

### - Resolution 4: Remuneration Report

To consider, and if thought fit, pass the following non-binding resolution as an ordinary resolution:

*"That the Remuneration Report for the Company (included in the Directors' Report) for the year ended 30 September 2017 be adopted."*

**Voting exclusion:** The Company will disregard votes cast on this resolution:

- by or on behalf of a member of KMP (details of whose remuneration are included in the Remuneration Report for the year ended 30 September 2017) or their closely related parties (regardless of the capacity in which the vote is cast);
- as a proxy by a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as a proxy for a person permitted to vote on Resolution 4 who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy and directed the proxy to vote as the proxy decides, having expressly authorised the chair of the Meeting to vote on this resolution even though it is connected with the remuneration of KMP.

By order of the Board.



**Richard Bell**  
Company Secretary  
19 January 2018

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# NOTICE OF 2018 ANNUAL GENERAL MEETING

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## NOTES

These Notes and the following Explanatory Statement form part of the Notice of Meeting.

If you are unable to attend the Meeting but wish to appoint a proxy, please complete and return the enclosed proxy form so that it is received prior to 11.00am on Tuesday, 20 February 2018. You can do this online or by returning it to our share registry, Boardroom Pty Limited. Details of how to complete and submit the proxy form are included on the proxy form.

A form is also enclosed for those who cannot attend the Meeting but would like to submit questions on any shareholder matters that may be relevant to the Meeting. The more frequently raised shareholder issues will be addressed by the Chairman during the course of the Meeting.

### Determination of entitlement to attend and vote

For the purposes of determining an entitlement to vote at the Meeting, shares will be taken to be held by the persons who are registered as shareholders at 7:00pm (Sydney time) on Tuesday, 20 February 2018.

### Proxies

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. If a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

An instrument appointing a proxy must be signed by the shareholder appointing the proxy or by the shareholder's attorney duly authorised in writing or, if the shareholder is a corporation, in accordance with the Corporations Act 2001 (Cth) (the Act) and the shareholder's constitution. A proxy need not be a shareholder of the Company and may be an individual or body corporate. A proxy has the same rights as a shareholder to speak at the Meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll.

A proxy form which is signed under power of attorney or other authority must be accompanied by that power of attorney or authority or a copy of that power of attorney or authority certified as a true copy by statutory declaration, unless it has previously been provided to and been accepted by the share registry.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of shareholders shall be accepted to the exclusion of the others.

Shareholders who have appointed a proxy may still attend the Meeting. However, the proxy's rights to speak and vote are suspended while the shareholder is present.

The Company encourages all shareholders who submit proxies to direct their proxy whether to vote for or against or to abstain from voting on each resolution. **The Chairman of the Meeting intends to vote all available undirected proxies in favour of all of the resolutions.**

If a proxy holder does not attend the Meeting or does not vote on a resolution, the directed proxies will be redirected to the Chairman, who will vote in accordance with the shareholder's directions.

An instrument appointing a proxy must be lodged as follows by no later than 11.00am (Sydney time) on Tuesday, 20 February 2018 in order to be effective:

- online, by following the instructions on the proxy form accompanying this Notice of Meeting;
- by mail, addressed to Aristocrat Leisure Limited, C/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia;
- by fax to the share registry, Boardroom Pty Limited, fax (61) 2 9290 9655; or
- in person to the share registry, Boardroom Pty Limited, Level 12, 225 George Street, Sydney, NSW 2000, Australia.

### Corporate representatives

A body corporate which is a shareholder or which has been appointed as a proxy may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been provided to and been accepted by the share registry.

If such evidence is not received prior to the commencement of the Meeting, then the individual will not be permitted to act as the shareholder's representative or representative of the shareholder's proxy.

### Voting

On a resolution decided by a show of hands, every shareholder who is present in person or by proxy, representative or attorney will have one vote. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands on that resolution.

Upon a poll, every shareholder who is present in person or by proxy, representative or attorney will have one vote for each share held by that shareholder.

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# EXPLANATORY STATEMENT

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## EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions in the accompanying Notice of Meeting.

The Directors recommend that shareholders read the Explanatory Statement in full before making any decision in relation to the following.

### Financial Report, Directors' Report and Auditor's Report

This item of business calls for shareholders to formally receive the Financial Report for the year ended 30 September 2017 (which includes all the financial statements and notes), Directors' Report and the Auditor's Report. The Financial Report, Directors' Report and Auditor's Report are set out in the Company's Annual Report. Shareholders who elected to receive a printed copy of the Annual Report should have received the Annual Report with this Notice of Meeting. The Annual Report is available from the Company website, [www.aristocrat.com](http://www.aristocrat.com).

While shareholders are not required to vote on the Financial Report, Directors' Report and Auditor's Report, there will be reasonable opportunity at the Meeting to raise questions on the reports. The Auditor will be in attendance at the Meeting and can answer questions on the conduct of the audit and the contents of the Auditor's Report.

### Resolution 1: Appointment of Director – Mr N Chatfield

Brief biographical details of Mr Chatfield are set out below:

**Age:** 63 years

**Occupation:** Company Director

**Academic and professional qualifications:** Master of Bus (Fin and Acct); Fellow CPA and Fellow of Australian Institute of Company Directors

Mr Chatfield is an established and experienced Executive and Non-Executive Director with extensive experience across a range of companies and industries. He has over 40 years' experience in global business.

Mr Chatfield is currently Non-Executive Chairman of Seek Ltd, Costa Group Holdings Limited and is also currently a Non-Executive Director of Transurban Group. He was previously Non-Executive Chairman of Virgin Australia and a Non-Executive Director of Recall Holdings Ltd from September 2013 until its takeover by Iron Mountain Inc. Mr Chatfield was a Non-Executive Director of Iron Mountain Inc (a NYSE listed company) until September 2017, and from 1997 to 2008 he served as Executive Director and Chief Financial Officer of Toll Holdings Ltd.

Mr Chatfield has advised the Company that after almost 13 years tenure as a Non-Executive Director of Seek Ltd, including the last 5 years as Chairman, he plans to retire as Chairman of Seek Ltd during 2018.

Mr Chatfield was nominated to be a Director (Elect) of the Company from 12 December 2017, subject to the receipt of relevant regulatory pre-approvals. If Mr Chatfield's appointment is approved by shareholders at the 2018 Annual General Meeting, it will only be effective on and from the time all relevant regulatory pre-approvals are received.

Until such time as all regulatory pre-approvals are received, Mr Chatfield may attend meetings of the Board of Directors by invitation, however he will not have any power to vote on Board resolutions.

The Board considers Mr Chatfield to be an independent director.

The Board of Directors (other than Mr Chatfield because of his interest) supports the appointment of Mr Chatfield as a Director of the Company and recommends that shareholders vote in favour of resolution 1.

### Resolution 2: Increase in Non-Executive Directors' fee cap

The current maximum amount available for payment of Non-Executive Directors' fees in aggregate each year is \$2,750,000. This amount was approved at the Annual General Meeting held in February 2016.

For the purposes of clause 13.11 of the Company's Constitution and Rule 10.17 of the ASX Listing Rules, shareholder approval is now sought to increase the Non-Executive Directors' fee cap by an amount of \$450,000 to a limit of \$3,200,000 per annum in aggregate. It is emphasised that this is a maximum limit and does not indicate that fees will necessarily be increased to that limit.

No securities have been issued to any Non-Executive Director under ASX Listing Rule 10.11 or ASX Listing Rule 10.14 with the approval of the Company's shareholders at any time within the preceding three years.

The Board considers that it is appropriate to seek approval for an increase in the Non-Executive Directors' fee cap at this time for a number of specific reasons:

#### Increasing time and responsibilities required of Non-Executive Directors

Aristocrat's strong growth across core markets over the past twelve months has resulted in increases in the workload and responsibilities of the Non-Executive Directors on the Board and its Committees.

The Board anticipates that this workload is likely to continue



# EXPLANATORY STATEMENT

to increase over coming years due to recent acquisitions that will result in Aristocrat further expanding its global reach and industries in which it operates:

- the strategic acquisition of Israeli-based social gaming company Plarium Global Ltd, which significantly increases Aristocrat's presence in the high-growth social games market; and
- the recently announced an agreement to acquire the social games business Big Fish, one of the top six digital social casino game publishers globally.

The proposed increase in the fee cap would provide flexibility to pay Non-Executive Directors appropriate fees which take into account the increasing workloads and levels of responsibility. Any fee increases will take into account:

- increasing time commitments due to the growth in size and scope of Aristocrat's strategic business and the requirements to comply with regulatory requirements in multiple environments; and
- increasing travel commitments to attend additional overseas board meetings as well as visits to operations globally.

It is not intended that the full amount of the proposed maximum cap be used immediately, but rather that it be set at a level to allow for growth in Non-Executive Director fees over time to reflect these increasing demands and responsibilities.

## To continue to manage orderly succession planning

Attracting the right Board members and providing effective transition arrangements are fundamental to a high performing Board. To facilitate an orderly transfer of responsibilities, new directors may be appointed prior to the retirement of existing directors, resulting in a short-term increase in the size of the Board and the total fees payable to the directors. This is especially the case given the regulatory environment in which the Company operates where directors are appointed subject to receipt of regulatory pre-approval which can take up to nine months to receive. The proposed increase in the fee cap would enable the Company to facilitate succession planning having regard to these complexities.

## To have flexibility to appoint global non-executive directors and have diversity of membership on the Board

The Board seeks to have an appropriate and diverse mix of skills, experience, expertise and diversity (including geographical diversity) to effectively discharge its responsibilities, appropriately monitor risk management and add value to the Group. Aristocrat is genuinely global in its structure and operations and it is therefore important that the

Board is composed of an appropriate mix of global directors. The proposed fee increase would provide the Board with sufficient flexibility to attract and appoint global directors who have the skills and experience to complement the Board's current composition in line with the business' growth and evolving needs.

A voting exclusion statement is included in the main body of the Notice of Meeting.

As the Non-Executive Directors have a personal interest in this resolution, the Board of Directors make no recommendation as to how shareholders should vote on this resolution 2.

## Resolution 3: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director under the Long-Term Incentive Program

### CEO remuneration

As announced to the market on 9 October 2017, following his relocation to the U.S. Mr Croker's remuneration arrangements as CEO & Managing Director (CEO) are as follows:

	(USD)
Fixed Remuneration	\$1,100,000
Short Term Incentive (at target)	\$1,100,000
Long Term Incentive (at target)	\$2,200,000
Total Target Remuneration	\$4,400,000

These arrangements align with U.S. market practice which emphasises a higher weighting of at-risk components of overall remuneration than is typically the case in Australia.

The Board is satisfied that the CEO's remuneration arrangements are competitive relative to peers and effectively incentivise Mr Croker to deliver Aristocrat's growth strategy and drive financial performance, in the interests of shareholders.

### Overview of the Long-Term Incentive Program (LTIP)

Aristocrat's policy on senior executive remuneration is designed to remunerate senior executives for increasing shareholder value and for achieving financial targets and business strategies (thereby creating alignment between interests of executives and shareholders). As a global organisation, it is also set to attract, retain and motivate appropriately qualified and experienced executives in each relevant labour market.

Consistent with this policy, the Board believes that it is in shareholders' interests to provide the CEO with an equity-based long-term incentive to ensure there is alignment between returns to shareholders and the rewards for the CEO.

# EXPLANATORY STATEMENT

The Board is of the view that Aristocrat's remuneration policies and structures are operating effectively and are consistent with shareholders' interests.

In the same way as other participants, LTI is currently awarded in the form of PSRs which may vest subject to the terms of Aristocrat's LTIP rules and subject to applicable vesting conditions, as set out in Appendix A to this Explanatory Statement.

## Approvals sought

Shareholder approval is being sought for the grant of a maximum of 136,383 PSRs to Trevor Croker under the Company's LTIP. Approval is being sought for all purposes, including for ASX Listing Rule 10.14, which requires that shareholder approval is obtained for the acquisition of securities by a director under an employee incentive scheme.

## Specific terms of the CEO's grant

The Board proposes that the CEO be granted 136,383 PSRs under the LTIP for his 2018 award.

The Board has determined Trevor Croker's long term incentive opportunity for the 2018 award is \$2,200,000 (LTI Opportunity) representing 50% of his total target reward for that year.

The actual number of PSRs to be granted to Mr Croker was determined by:

- (a) calculating the 'face value' of the Company's shares based on the volume-weighted average price for the 5 trading days up to and including 30 September 2017 (the day before the start of the performance period) which was \$20.57 per share (Face Value);
- (b) converting the Face Value into USD using the 1 October 2017 Group fx rate of 0.7842; and
- (c) dividing the LTI Opportunity by the Face Value (as converted) and rounding down to the nearest whole figure.

## Overview of key terms of Aristocrat's LTIP and PSRs granted under LTIP

The LTIP provides eligible employees an opportunity to receive fully paid ordinary shares in Aristocrat on vesting of PSRs, subject to meeting certain vesting conditions within a set performance period.

The key terms of PSRs granted under the LTIP are set out below:

<b>Vesting conditions</b>	<ul style="list-style-type: none"> <li>- Vesting conditions will apply to the PSRs as outlined in Appendix A to this Explanatory Statement.</li> </ul>
<b>Performance period</b>	<ul style="list-style-type: none"> <li>- Each of the vesting conditions will be tested over a performance period of three years.</li> </ul>
<b>Testing and vesting</b>	<ul style="list-style-type: none"> <li>- Grants under the LTIP will be tested at the end of the performance period. No retesting will occur. If the relevant vesting conditions are satisfied at the end of the performance period then the PSRs will vest.</li> <li>- Each PSR entitles Mr Croker to one fully paid ordinary share in the Company on vesting. No amounts will be payable by the participants upon vesting of the PSRs.</li> <li>- If the relevant vesting conditions are not satisfied at the end of the performance period then the PSRs will lapse.</li> <li>- Once the PSRs have vested, the Board will decide at that time whether to purchase the shares required on-market or to issue new shares.</li> </ul>
<b>Ranking of shares</b>	<ul style="list-style-type: none"> <li>- Upon vesting of the PSRs, shares received by participants will rank equally with ordinary shares currently on issue.</li> </ul>
<b>Voting and dividend rights</b>	<ul style="list-style-type: none"> <li>- PSRs do not carry any voting rights and participants are not entitled to dividends until PSRs have vested and converted into ordinary shares.</li> <li>- Shares allocated on vesting of the PSRs will carry full dividend and voting rights from the date of allocation.</li> </ul>
<b>Change of control event</b>	<ul style="list-style-type: none"> <li>- There is no automatic vesting of PSRs on a change of control. The Board will (in its discretion) determine the appropriate treatment regarding PSRs in the event of a change of control.</li> <li>- Where the Board does not exercise this discretion, there will be a pro rata vesting of PSRs based on the proportion of the performance period that has passed at the time of the change of control event.</li> </ul>
<b>Reorganisation event</b>	<ul style="list-style-type: none"> <li>- In the event of any reorganisation of the issued ordinary capital of the Company, PSRs will be reconstructed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</li> </ul>

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<b>Participating in capital raising</b>	- A participant may only participate in new issues of securities if ordinary shares have been allocated to the participant in accordance with the LTIP Rules, before the date for determining entitlements to the issue.
<b>Cessation of employment</b>	- If a participant in the LTIP ceases employment with the Company before the vesting conditions are tested, then any PSRs will ordinarily lapse. If the cessation is due to death or redundancy, PSRs will vest subject to the Board's discretion.
<b>Fraudulent or dishonest behaviour</b>	- Where a participant acts fraudulently, dishonestly, or in the Board's opinion, is in breach of his or her obligations to the Company, then any unvested PSRs will always lapse.
<b>Trading restrictions</b>	- A participant may not sell, transfer, mortgage or otherwise deal with or encumber any PSRs. - Shares allocated on vesting of the PSRs will be subject to the Company's share trading policy.

A more detailed summary of the terms of the Company's LTIP is contained in the Company's Remuneration Report.

## Disclosures made for the purposes of the Listing Rules

- (a) If approval is obtained under ASX Listing Rule 10.14, approval under ASX Listing Rule 7.1 is not required.
- (b) As approved by shareholders at the 2017 Annual General Meeting, 62,838 PSRs were allocated at no cost to Mr Croker during 2017.
- (c) The maximum number of PSRs that can be awarded to Mr Croker under this approval is 136,383. Subject to achievement of vesting conditions, this means that the maximum number of fully paid ordinary shares which can be awarded to Mr Croker on vesting of the approved PSRs is 136,383.
- (d) The price payable on both the issue and exercise of each PSR is nil.
- (e) Mr Croker is the only Director entitled to participate in the LTIP.
- (f) No Directors (other than Mr Croker) have received PSRs under the LTIP since the last approval given by shareholders under ASX Listing Rule 10.14 (namely, at the 2017 Annual General Meeting).
- (g) There is no loan in relation to the proposed award of PSRs to Mr Croker.

- (h) The PSRs that are awarded to Mr Croker following shareholder approval will be issued no later than 12 months after the Meeting.
- (i) In the Non-Executive Directors' view, it is in the best interest of shareholders to approve the PSR grant to Trevor Croker on these terms because they appropriately align Mr Croker's remuneration with the interests of shareholders.

The Board of Directors (with Mr Croker abstaining) recommend that shareholders vote in favour of resolution 3.

## Resolution 4: Remuneration Report

Section 300A of the Act requires the disclosure, in a dedicated part of the Directors' Report under the heading 'Remuneration Report', of the remuneration paid to the KMP of a listed company.

The Remuneration Report for the year ended 30 September 2017 is set out in the Directors' Report which forms part of the Annual Report. It is also available on the Company's website, [www.aristocrat.com](http://www.aristocrat.com).

Shareholders of the Company are asked to adopt the Remuneration Report, which sets out, in detail, the Company's policy for determining the remuneration for its Directors and other KMP, including:

- senior executive remuneration philosophy and framework;
- an explanation of the Board's policies in relation to the objectives and structure of remuneration;
- remuneration outcomes in FY2017 and links to business strategy and Group performance;
- a detailed summary of vesting conditions, why they were chosen and how performance is measured against them; and
- the remuneration details for each Non-Executive Director and for each of the Executive KMP of the Company.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting.

In accordance with the Act, this resolution is advisory only and does not bind the Company. However, the Board will take the outcome of the vote into consideration in future reviews of the remuneration policy for Directors and KMP.

Noting that each Director has a personal interest in his or her own remuneration from the Company as described in the Remuneration Report, the Board of Directors recommends that shareholders vote in favour of resolution 4.

# APPENDIX A

## VESTING CONDITIONS FOR THE GRANT TO BE MADE TO THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

The Board has determined that the following vesting conditions should be applied to the 2018 grant to Mr Croker, as the CEO and Managing Director:

- (a) total shareholder return (TSR) of the Company relative to the return of the constituents of the S&P/ASX 100 Index at the commencement of the performance period (Relative TSR) - in relation to thirty percent (30%) of the PSRs granted;
- (b) growth in earnings per share before amortisation of acquired intangibles from operating activities (EPSA) of the Company compared to targets set by the Board (Relevant EPSA) - in relation to thirty percent (30%) of the PSRs granted; and
- (c) a service (time) based vesting condition that the relevant participant remain employed by Aristocrat for the entire 2018 LTIP performance period and maintain an adequate individual performance rating - in relation to forty percent (40%) of the PSRs granted

At the appropriate time, the vesting conditions will be measured to determine the proposed vesting amounts, which will then be considered and determined by the Board.

The Board selected Relative TSR as a vesting condition on the basis that it:

- ensures an alignment between comparative shareholder return and reward for the executive; and
- provides a relative, external, market-based performance measure against those companies with which the Company competes for capital, customers and talent.

The Board selected Relevant EPSA as a vesting condition on the basis that it:

- is a relevant indicator of increases in shareholder value;
- neutralises the tax effected amortisation expense of acquired intangibles (most notably VGT), which is a non-cash charge and not representative of underlying performance of the business and cash flow generation; and
- is a target that provides a suitable line of sight to encourage executive performance.

In recognition of the fact that North America generates Aristocrat's largest revenues and offers the business its most significant strategic opportunities, Mr Croker has relocated to the U.S. In that context, the Board selected a service (time) based vesting condition on the basis that it aligns with US practice and ensures that Aristocrat's LTIP is competitive relative to peers, particularly those in the US with whom Aristocrat competes for talent, who have elements of service based vesting (restricted stock).

## Relative TSR vesting condition (30% of total PSRs)

Relative TSR will be assessed over a three year performance period, which will commence on 1 October 2017 until 30 September 2020.

TSR measures the growth in the price of shares plus cash distributions notionally reinvested in shares.

In order for any of the PSRs to vest pursuant to the Relative TSR vesting condition, the Company's compound TSR must be equal to or greater than the median ranking of the constituents of the S&P/ASX 100 Index, defined at the commencement of the performance period (Comparator Group).

The link between the Company's TSR performance and the percentage of the PSRs which will vest pursuant to the Relative TSR vesting condition is represented in the following table:

Company TSR ranking against the Comparator Group	PSRs subject to Relative TSR vesting condition that vest (%)
Below the median ranking	0%
At the median ranking	50%
Above the median ranking but below the 75th percentile	Between 50% and 100%, increasing on a straight line basis
At or above the 75th percentile	100%

## Relevant EPSA vesting condition (30% of total PSRs)

The Relevant EPSA vesting condition is measured by comparing the Company's compound annual EPSA growth rate (CAGR) over a three year performance period (1 October 2017 to 30 September 2020) against the 'minimum' EPSA growth and the 'maximum' EPSA growth thresholds, as set by the Board at the beginning of the performance period.

Relevant EPSA performance will be measured using the most recent financial year-end prior to the award as the base year, and the final financial year in the three year performance period as the end year.

Relevant EPSA will be calculated by dividing the Company's normalised profit after tax before amortisation of acquired intangibles (NPATA) for the relevant reporting period by the weighted average number of ordinary shares of the Company for that period. NPATA will be determined in accordance with the Group's current accounting practices.

The EPSA growth thresholds set by the Board for the performance period will be disclosed in the Remuneration Report published in respect of the year in which PSR vesting is tested.

As the Relevant EPSA component is determined as the compound EPSA growth over a three year performance

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# APPENDIX A

period, the extent of vesting of the Relevant EPSA component of the LTI cannot be determined until the conclusion of the three year performance period.

The link between the Company's compound annual EPSA growth rate and the percentage of the PSRs which will vest pursuant to the Relevant EPSA performance condition is represented in the following table:

Company's EPSA performance	% of vesting of PSRs
Less than the minimum EPSA growth threshold	0%
Equal to the minimum EPSA growth threshold	50%
Greater than the minimum EPSA growth threshold, up to the maximum EPSA growth threshold	Between 50% and 100%, increasing on a straight line basis
Greater than the maximum EPSA growth threshold	100%

## **Service (time) based vesting condition (40% of total PSRs)**

The serviced (time) based element of the LTIP will vest subject to Mr Croker being employed by a member of the Aristocrat Group for the entire three year performance period, and having maintained a "Meets Most" individual performance rating.



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **by 11:00am AEDT on Tuesday 20 February 2018.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** [www.votingonline.com.au/aristocratagm2018](http://www.votingonline.com.au/aristocratagm2018)

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code  
using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint someone other than the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, or does not vote on a poll in accordance with your instructions, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses, subject to any voting restrictions that apply. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### Voting restrictions for KMP

Please note that if you appoint a member of the company's key management personnel (KMP) (which includes each of the Directors) or one of their closely related parties as your proxy, they will not be able to cast your votes on Resolutions 2, 3 or 4 unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as

your proxy by default, but you do not mark a voting box for Resolutions 2, 3 or 4, you will be expressly authorising the Chairman of the Meeting to exercise your proxy in respect of the relevant Item, even though the Item is indirectly or directly connected with the remuneration of the KMP.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am AEDT on Tuesday 20 February 2018**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** [www.votingonline.com.au/aristocratagm2018](http://www.votingonline.com.au/aristocratagm2018)
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Aristocrat Leisure Limited**

ABN 44 002 818 368

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Aristocrat Leisure Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

[Empty box for proxy name]

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Aristocrat Head Office, Building A, Pinnacle Office Park, 85 Epping Road, North Ryde, NSW, 2113 on Thursday 22 February 2018 at 11:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit, subject to any voting restrictions that apply.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2, 3 or 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2, 3 and 4 are connected with the remuneration of a member of the key management personnel for the Company.

**The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2, 3 and 4).** If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Appointment of Director – Mr N Chatfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Increase in Non-Executive Directors' fee cap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director under the Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SHAREHOLDERS**  
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1  
[Signature box]

Sole Director and Sole Company Secretary

Securityholder 2  
[Signature box]

Director

Securityholder 3  
[Signature box]

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018