

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Aristocrat Leisure Limited

ABN/ARBN

44 002 818 368

Financial year ended

30 September 2015

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- ☐ these pages of our annual report: \_\_\_\_\_
- ☒ this URL on our website: <http://www.aristocrat.com.au/Investors/Pages/Governance.aspx>

[The Corporate Governance Statement is accurate and up to date as at 25 November 2015 and has been approved by the board.]

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 23 December 2015

Sign here:   
Director/Company Secretary

Print name: Antonia Korsanos

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

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

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

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Board Charter found at:</p> <p><a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a></p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Diversity Policy found at:  <a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a>  <i>Insert location here</i></p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>		
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Directors' Report contained in the 2015 Annual Report found at:  <a href="http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx">http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx</a>  <i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the	[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: _____ <i>Insert location here</i>  ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: See Audit Committee Charter found at: <a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
	<p>number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Directors' Report contained in the 2015 Annual Report found at:  <a href="http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx">http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx</a>  <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its Continuous Disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Continuous Disclosure Policy found at: <a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a></p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p><a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a></p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Shareholder Communication Policy found at: <a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a></p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>See Audit Committee Charter and Regulatory and Compliance Charter found at:</p> <p><a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a></p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<p>See Directors' Report contained in the 2015 Annual Report found at:  <a href="http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx">http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx</a>  <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  _____  <i>Insert location here</i></p>	
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  _____  <i>Insert location here</i></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <b>OR</b></p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]  ... how our internal audit function is structured and what role it performs:  <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b>  <input type="checkbox"/> at this location:  _____  <i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:  <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location: <p>See Review of Operations contained in the 2015 Annual Report found at:  <a href="http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx">http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx</a>  <i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <input checked="" type="checkbox"/> at this location: <p>See Human Resources and Remuneration Committee Charter found at:  <a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a>  <i>Insert location here</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
		<input checked="" type="checkbox"/> at this location:  See Director's Report contained in the 2015 Annual Report found at: <a href="http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx">http://www.aristocrat.com.au/Investors/Pages/Shareholder-Information.aspx</a> <i>Insert location here</i>  [If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at this location:  <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	... our policy on this issue or a summary of it: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> at this location:  See Share Trading Policy found at: <a href="http://www.aristocrat.com.au/Investors/Pages/Governance.aspx">http://www.aristocrat.com.au/Investors/Pages/Governance.aspx</a> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ...
<b><u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u></b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b><u>OR</u></b></p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

# Aristocrat Leisure Limited Corporate Governance Statement

for the 12 months ended 30 September 2015

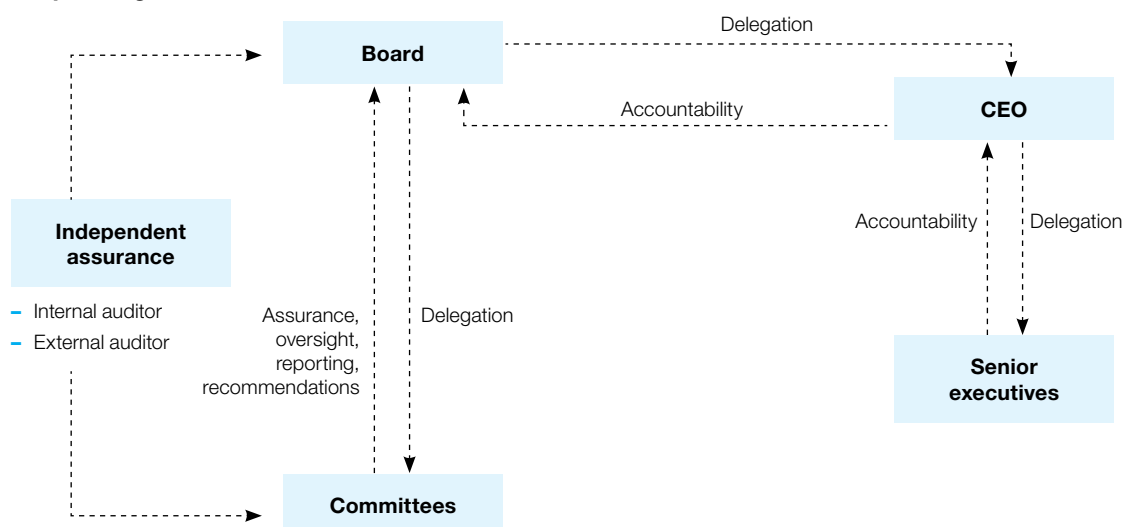
ABN 44 002 818 368

The Board is committed to maintaining high standards of corporate governance arrangements in line with the third edition of the *Corporate Governance Principles and Recommendations* issued by the ASX Corporate Governance Council (Principles).

Set out below is a summary of the Group's corporate governance principles which were in place during the period between 1 October 2014 and 30 September 2015. For ease of reference, this statement has been prepared and presented in a format consistent with the Principles.

The information in this statement is current as at 25 November 2015 and has been approved by the Board.

## Corporate governance framework



## Recommendation 1.1 – Role of Board and management

The Board has established a clear distinction between the functions and responsibilities reserved for the Board and those delegated to management, which are set out in the Aristocrat Leisure Limited Board Charter (Charter). A copy of the Charter is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

The primary responsibilities reserved for the Board include the following:

- Review and approval of Group strategy;
- Management of performance, with specific responsibility for the monitoring of Group performance and overall conduct;
- Selection, appointment, remuneration and performance evaluation of the Chief Executive Officer (CEO);
- Evaluation of the principal risks of the Group and continued monitoring of appropriate risk management and reporting systems;
- Establishment and monitoring of policies to ensure compliance with the legal and regulatory regimes to which the Group is subject and to ensure the highest standards of corporate conduct; and
- Promotion of open and proper communication between the Group and its stakeholders.

The Board has authorised the CEO to oversee the day-to-day business and operations, within the limits of specific authorities set out in the delegations approved by the Board. The CEO has, in turn, approved sub-delegations of authority that apply to management.

The CEO is accountable to the Board for the authority that is delegated by the Board. The Board monitors the decisions and actions of the CEO and the Group's progress on achieving the short, medium and long-term objectives as set by the Board.

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# Corporate Governance Statement

## Recommendation 1.2 – Information regarding election and re-election of Director candidates

Board succession planning is an important element of the governance process. The Board will regularly evaluate and review its succession planning process to ensure the progressive and orderly renewal of Board membership. Any decision on the nomination of a new Director will be made by the Board. Before a candidate is nominated by the Board, they must confirm that they will have sufficient time to meet their obligations to the Company, in light of other commitments, and that they expect to meet all gaming regulatory approval conditions.

The Company undertakes comprehensive reference checks on candidates including education, employment, character reference, criminal history, bankruptcy and disqualified company director and officer checks. In addition, gaming regulators conduct detailed suitability investigations on Director candidates and their families, requiring them to disclose extensive historical and current personal and financial information and submit to interviews. Directors are required to be licenced in over 40 gaming jurisdictions. In some cases the renewal of those licences (including submitting to further suitability checks) is required annually.

An election of Directors is held each year. Any new Director nominated during the year is known as a Director (Elect) and will stand for election by shareholders at the subsequent AGM. Shareholders are asked to approve the appointment of the Director (Elect) subject to the receipt of all necessary regulatory pre-approvals. Until the receipt of all necessary regulatory pre-approvals, a Director (Elect) may attend all meetings of the Company but will have no entitlement to vote on any resolutions proposed at any meeting of the Board or any committee.

The Company has appropriate procedures in place to ensure that material information relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election), is disclosed in the notice of meeting provided to shareholders. Director candidates are also invited to address the meeting and provide details of the relevant qualifications, experience and skills they bring to the Board.

## Recommendation 1.3 – Written contracts of appointment

New Directors receive a letter of appointment and a deed of access and indemnity. The letter of appointment outlines the Company's expectations of Directors with respect to their participation, time commitment and compliance with the Company's policies and regulatory requirements. An induction process for incoming directors is coordinated by Company Secretariat.

Each senior executive enters into a service contract which sets out the material terms of employment, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Contract details of those senior executives who are KMP<sup>1</sup> are summarised in the Remuneration Report within the Annual Report.

## Recommendation 1.4 – Company Secretary

The Company Secretary is accountable directly to the Board (through the Chairman) for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.

In accordance with the Company's Constitution, the appointment or removal of the Company Secretary is a matter for the Board as a whole. Details of the Company Secretary are set out in Directors' Report within the Annual Report.

## Recommendation 1.5 – Diversity

The Group recognises its legal and ethical obligations and is committed to promoting and achieving diversity across the Group. The Group employs more than 3,000 people around the world including in Australia, the United States, New Zealand, the United Kingdom, South Africa, India, Argentina, Mexico, Hong Kong and Macau.

The Company's approach to diversity is outlined in its Diversity Policy which is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

The Board is responsible for approving measurable objectives in accordance with the Diversity Policy and, with the assistance of the Human Resources and Remuneration Committee, for annually assessing those objectives and the progress against them.

The following diversity-related measurable objectives supporting gender diversity have been endorsed by the Board:

- Increase the number of women in the 'Leadership Group', comprising the Board, Senior Executive Roles<sup>(1)</sup> and Senior Management Roles<sup>(2)</sup>; and
- Increase in the proportion of female hires and promotions.

(1) Senior Executive Roles means the Group's Executive Leadership Team, the composition of which can be found on the Group's website.

(2) Senior Management Roles include senior managers and senior specialists across the Group.

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1. KMP means Key Management Personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the relevant reporting period.



# Corporate Governance Statement

The progress against these objectives is detailed below.

The following information is provided about the proportion of women across the Group as at 30 September 2014 and 30 September 2015:

Category	30 September 2014	30 September 2015
Board	2 of 6 Non-Executive Directors (33%)	2 of 6 Non-Executive Directors (33%)
Senior Executive Roles	3 of 12 members (25%)	3 of 14 members (21%)
Across the Leadership Group <sup>1</sup>	46 of 206 members (22%)	45 of 243 members (19%)
Across the Group	25%	25%

1. Leadership Group comprises the Board, Senior Executive Roles and Senior Management Roles.

The following information is provided about the proportion of global female hires and promotions:

Category	Year ended 30 September 2014	Year ended 30 September 2015
Female new hires	29%	32%
Female promotions	30%	22%

As part of the requirements set by the Workplace Gender Equality Act 2012 (WGEA), the Company has prepared a gender diversity profile and reported against the six required gender equality indicators which are:

- Gender composition of the workforce;
- Gender composition of governing bodies;
- Equal remuneration between men and women;
- Flexible working arrangements;
- Consultation with employees covering gender equality at the workplace; and
- Addressing sex-based harassment and discrimination.

A copy of the report provided to the Workplace Gender Equality Agency under WGEA can be accessed at: <https://www.wgea.gov.au/public-reports-0>.

A Diversity Council, which represents a diverse group with cross organisation coverage at a senior management level has been established to promote diversity and inclusiveness in the workplace, and also to provide input from across the organisation to assist it to formulate policy, strategy and objectives. Its specific responsibilities include:

- Monitoring the profile of the Company's workforce to demonstrate trends, clarify areas to improve and highlight areas of success;
- Communicating diversity initiatives undertaken and the benefits gained; and
- Improving:
  - Awareness/understanding of differences to increase acceptance and create a better work environment; and
  - Working relationships between employees to drive better results.

## Recommendation 1.6 – Board reviews

The Board (with assistance, where necessary or appropriate, from external consultants) regularly carries out a review of the performance of the Board, its Committees, and each Director. The review assesses, amongst other things:

- The effectiveness of the Board and each committee in meeting the requirements of their Charters;
- Whether the Board and each committee has members with the appropriate mix of skills and experience to properly perform their functions;
- The contribution made by each Director at meetings and in carrying out their responsibilities as Directors generally, including preparing for meetings; and
- Whether the content, format and timeliness of agendas, papers and presentations provided to the Board and each committee are adequate for them to properly perform their functions.

The Board establishes the procedures and oversees the assessment program. The results and any action plans following the assessment are documented, together with specific performance goals that are agreed by the Board.

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# Corporate Governance Statement

During the reporting period, the Board engaged an external facilitator to conduct and manage both a qualitative and quantitative performance review of Board and Committee performance, during which the external facilitator held individual discussions with each Director. The Board and the external facilitator then discussed Board and Committee performance as a group.

In addition, Directors are encouraged to raise any issues of concern regarding the performance of any other Director with the Chairman, or if the concern relates to the Chairman, with the Chair of the Audit and Risk Committee.

## **Recommendation 1.7 – Management reviews**

Each year the Board sets financial, operational, management and individual targets for the CEO. The CEO (in consultation with the Board) in turn sets targets for his or her direct reports. Performance against these targets is assessed periodically throughout the year and a formal performance evaluation for senior management is completed for the year end. Further details are set out in the Remuneration Report contained within the Annual Report.

## **Recommendation 2.1 – Nominations Committee**

The Board, assisted by the Human Resources and Remuneration Committee as necessary, takes on the role of nominations and governance, which includes the following functions:

- Determining the appropriate size and composition of the Board;
- Determining the appropriate criteria (necessary and desirable skills and experience) for appointment of Directors;
- Recommendations for the appointment, re-election and removal of Directors;
- Ensuring there are appropriate induction and professional development programs for Directors;
- Overseeing succession plans for the CEO and other senior management; and
- The evaluation of the Board's performance and Board succession planning.

This structure is working efficiently and effectively to ensure there is adequate governance in relation to the elements set out above, however the Board continues to assess this on an ongoing basis.

## **Recommendation 2.2 – Board skills matrix**

As at 30 September 2015, the Board comprised six independent Non-Executive Directors and the CEO/Managing Director.

It is important that the Board has an appropriate mix of skills, experience, expertise and diversity (including geographical and gender diversity). The Board considers it important for the following skills and experience to be represented:

- Experience as a Chief Executive;
- International business experience;
- Financial and accounting experience;
- Technology experience, especially in the software or computer industries;
- Gaming experience;
- Legal and regulatory experience; and
- Corporate governance and risk management experience.

## **Recommendations 2.3 to 2.5 – Director independence and length of service**

All Directors, whether independent or not, are expected to bring an impartial judgement to bear on Board decisions and are subject to the Board's policy regarding management of conflicts of interest, as well as common law and Corporations Act requirements.

Each year, the Board assesses whether the Non-Executive Directors are independent. In making such an assessment, consideration is given to whether the Director:

- Is a substantial shareholder of the Group or an officer of a substantial shareholder of the Group;
- Has been employed in an executive capacity in the last three years by a Group company;
- Has been employed as a principal of a material professional adviser to the Group during the past three years;
- Is a material supplier or customer of a Group company;
- Has any material contractual relationship with the Group (other than as a Director); and
- Is free from any interest, business or personal, which could or could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Group.

Having considered these criteria, the Board was of the view that there were no factors affecting the independent status of any Non-Executive Director at the date of this statement or throughout the year.

Details, including the term of office, qualifications, experience and information on other directorships held by each member of the Board, can be found in the Directors' Report within the Annual Report.

# Corporate Governance Statement

## Recommendation 2.6 – Induction and professional development

As part of a comprehensive induction program, new Directors are provided with a Director's Handbook. New Directors also meet with the Chairman and senior executives as part of the structured induction program. Where appropriate, the program also includes site visits to some of the Group's key jurisdictions.

Recognising the importance of providing continuing education, Directors take part in a range of training and continuing education programs. Internal and external experts are engaged to conduct education sessions. Directors also receive regular business briefings at Board meetings. These briefings are intended to provide Directors with information on each area of the Group's business, in particular regarding performance, key issues, risks and strategies for growth.

All Aristocrat Directors are members of the Australian Institute of Company Directors (AICD) and are encouraged to further their knowledge through participation in seminars hosted by the AICD and other forums sponsored by professional, industry, governance and Government bodies.

Directors are also encouraged and given the opportunity to broaden their knowledge of the business by visiting offices in different locations.

## Recommendation 3.1 – Code of conduct

The Board has adopted a Code of Conduct which applies to Directors and all employees. The Code is reinforced through various training programs and Group publications. The Code provides an ethical and behavioural framework for the way business is conducted and contains a set of general business ethics including (but not limited to):

- To act honestly and fairly in all dealings and to conduct business with strict professional courtesy and integrity;
- To abide and comply with all applicable laws and regulations;
- To report suspected corrupt or unethical conduct;
- To ensure that Group resources and property are used properly and efficiently; and
- Not to disclose information or documents relating to the Group or its businesses other than as required by law and not to make any public comment on Group matters unless authorised to do so.

The Code of Conduct is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

The Board and senior management are committed to the Code and the principles contained within it. The Code is regularly communicated and distributed to employees. New employees are issued with an employee handbook which contains, amongst other things, the Code, and they are required to certify (prior to commencing their employment) that they have read and understood the requirements contained in it.

The Code, together with the Group policies set out below, is aimed at ensuring that the Group maintains the highest standards of honesty, integrity and fair trading with shareholders, customers, suppliers, employees, regulators and the community.

The Group has procedures in place to monitor overall compliance with the Code. It is made clear in the Code that any breaches are treated seriously and could lead to disciplinary action including termination of employment.

In addition to the Code, the Group also has policies which govern, among other things:

- Occupational health and safety;
- Conflicts of interest;
- Gifts, gratuities and donations;
- Use of social media;
- Dealing in Group securities;
- Market disclosure; and
- Privacy.

The Group has implemented training courses dealing with harassment in the workplace, discrimination, and legal and operational compliance globally, which all employees are required to complete. In addition, the Group has provided training to relevant employees on privacy, fair trading, restrictive trade practices and gaming legislation.

## Recommendation 4.1 – Audit Committee

### Audit and Risk Committee

The composition of the Audit and Risk Committee can be found in the Directors' Report. The committee comprises at least three independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

All members of the committee are financially literate, and the committee possesses sufficient financial expertise and knowledge of the industry in which the Group operates.

Members of the Group's internal and external audit firms attend committee meetings by invitation, together with the internal Group Risk and Audit Manager and relevant senior executives.

The committee reviews and makes formal recommendations to the Board in relation to the adequacy of accounting and risk management procedures, financial reporting, systems of internal control and management of material business risks and internal and external audit functions. The Audit and Risk Committee Charter includes a more detailed description of the duties and responsibilities of the committee.

The Audit and Risk Committee Charter is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

# Corporate Governance Statement

The committee is a direct link for providing the views of internal and external auditors to the Board, when necessary, independent of management influence. Time is allocated for detailed questioning of the material presented by each of the external and internal auditors.

## Selection of auditor

The Audit and Risk Committee is responsible for overseeing the external auditor selection process. This process includes assessing each of the submissions received and making a formal recommendation to the Board on the appointment (or removal) of the external auditor.

As part of that selection process, the Audit and Risk Committee assesses each of the submissions received on the following criteria:

- Independence;
- Overall audit approach and methodology;
- Relevant industry experience;
- Experience and qualifications of key audit staff; and
- Cost.

The Audit and Risk Committee is also responsible for reviewing the relationship with the external auditor and evaluating the performance and overall effectiveness of external audit services annually.

## Auditor independence

The Group's policy on audit independence restricts the types of non-audit services that can be provided by either the internal or the external auditors. In addition, any non-audit services which are to be provided by the internal or the external auditors need to be pre-approved by the Chair of the Audit and Risk Committee.

The Audit and Risk Committee requires the external auditor to confirm annually that it has complied with all professional regulations or guidance issued by the Australian accounting profession relating to auditor independence, and reviews the independence of the auditors four times a year. The Group requires the lead external audit partner to rotate every five years.

## Recommendation 4.2 – CEO and CFO certification of financial statements

The Board has obtained a written assurance from the CEO and CFO that the declarations provided under section 295A of the Corporations Act (and for the purposes of Recommendation 4.2) are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting and material business risks.

## Recommendation 4.3 – External auditor at AGM

The external auditor attends the AGM and is available to answer questions from shareholders on the:

- Conduct of the audit;
- Preparation and content of the auditor's report;
- Accounting policies adopted by the Group in relation to the preparation of the financial report; and
- Independence of the auditor in relation to the conduct of the audit.

## Recommendation 5.1 – Disclosure and Communications Policy

The Group understands and respects that timely disclosure of price-sensitive information is central to the efficient operation of the securities market.

The Group's Continuous Disclosure Policy is regularly reviewed to ensure that it reflects current best practice corporate governance principles and practices. The Continuous Disclosure Policy is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

The Company Secretary/CFO, in conjunction with the CEO and the Manager, Company Secretariat/Corporate Counsel (the Management Disclosure Committee), has responsibility for reviewing proposed disclosures and making decisions in relation to what information can be or should be disclosed to the market. Each Group employee is required to inform the Company Secretary regarding any potentially price-sensitive information concerning the Group as soon as they become aware of it.

Where appropriate, the Board will be consulted on the most significant or material disclosures.

The Company Secretary is responsible for ensuring compliance with the Continuous Disclosure Policy.

## Recommendation 6.1 – Information on Website

The Company keeps investors informed of its corporate governance, financial performance and prospects via its website, [www.aristocratgaming.com](http://www.aristocratgaming.com). The names and biographical information for each of the Directors and senior management are set out on the website. Investors can access copies of announcements to the ASX, notices of meetings, annual reports, business reviews, investor presentations and financial statements via the 'Investors' tab. The 'Governance' tab sets out the key corporate governance policies and other corporate governance materials referred to in this document.

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# Corporate Governance Statement

## Recommendation 6.2 – Investor relations programs

The Company conducts regular briefings including interim and full-year results announcements, investor days, site visits and attends regional and industry specific tradeshows in order to facilitate effective two-way communication with investors and other financial markets participants. Access to executive and operational management is provided at these events, and separate one-on-one or group meetings are provided when requested and in compliance with governance parameters set by the Company.

The Company's objective is to have best practice disclosure. Therefore all discussions with analysts are conducted by or with the prior approval of the CEO, or CFO or the Head of Investor Relations, and are limited to an explanation of previously published material and general discussion of non-price sensitive information.

Unless authorised by the CFO or Head of Investor Relations, meetings with analysts will not be held between the end of the half-year or full-year and the dates on which those results are announced.

## Recommendation 6.3 – Facilitate participation at meetings of security holders

The Company commits to facilitating shareholder participation in shareholder meetings, and to respectfully and quickly dealing with shareholder inquiries.

The Company uses technology to facilitate the participation of security holders in meetings including live webcasting of meetings. Online proxy voting facilities allow security holders to vote ahead of the meeting without having to attend in person. Shareholders are encouraged to participate in general meetings and are given an opportunity to submit questions in advance and ask questions of the Company and its auditor at the AGM.

## Recommendation 6.4 – Facilitate electronic communications

The Company encourages investors to receive communications from, and send communications to, the Company and the share registry electronically.

The Company emails shareholders (who have elected to receive electronic communications) when important information becomes available such as dividend statements, notices of meeting, voting forms and annual reports. Electronic communication allows the Company to communicate with shareholders faster and reduce its use of paper.

## Recommendations 7.1 and 7.2 – Risk management framework

The Board recognises the importance of a sound framework of risk oversight, risk management and internal control to good corporate governance.

The Board Audit and Risk Committee is mandated to oversee the policies and procedures in relation to risk management and internal control systems. The Board Audit and Risk Committee is also responsible for monitoring incidents of fraud or other breakdowns in the Group's internal controls as well as the Group's insurance programs. Separately, oversight of specific risks relating to gaming laws and regulations, and conditions associated with maintenance of the Group's gaming licences, is the mandate of the Regulatory and Compliance Committee. All Directors have a standing invitation to attend any committee meeting.

The Group's risk policies are designed to identify, monitor and assess strategic, operational (including risks to health, safety and the environment), legal, social and financial risks to achieve business objectives. Certain specific risks are covered by insurance and the Board has also approved policies for hedging of interest rates and foreign exchange rates.

The most significant risks are monitored and reported to the Board Audit and Risk Committee and the Board, along with associated controls and risk mitigation plans.

The Board Audit and Risk Committee reviews the Group's risk management framework at least annually to satisfy itself that it continues to be sound. The Group's risk management framework was reviewed during the reporting period.

## Recommendation 7.3 – Internal audit

The Company's Group Risk and Audit function, which has a direct reporting line to the Audit and Risk Committee, is responsible for:

- Developing and maintaining risk management policies and guidelines;
- Bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- Providing regular risk management updates to the Audit and Risk Committee; and
- Developing and executing an annual Assurance Plan, comprising internal audit and other assurance projects.



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# Corporate Governance Statement

The Assurance Plan is developed based on key risk areas identified by the Risk Management Framework and ensures rolling coverage of a defined audit universe. The objective of the Assurance Plan is to evaluate the internal control environments that ensure risk is appropriately managed and mitigated and recommend improvements where required. Results of each project are reported quarterly to the Audit and Risk Committee, along with the status of recommended actions.

Internal audit projects are executed using a co-sourced team which includes resources from the Group Risk and Audit function, public accounting firms, other specialist consultants, or a combination thereof.

The function also conducts other investigations outside of the Assurance Plan to provide insight in relation to any issues that emerge, as requested by management.

## **Recommendation 7.4 – Sustainability risks**

The Company monitors its exposure to risks, including economic, environmental and social sustainability risks. Material business risks are described in the Review of Operations, which also outlines the Group's activities, performance during the year, financial position and main business strategies. The Annual Report and Business Review overall provide further details about how the Company manages its economic, environmental and social sustainability risks.

## **Recommendation 8.1 – Remuneration Committee**

The composition of the Human Resources and Remuneration Committee can be found in the Directors' Report. The committee comprises at least three independent Non-Executive Directors and is chaired by an independent Non-Executive Director.

The number of meetings held and attended by each member of the Human Resources and Remuneration Committee during the year are set out in the Directors' Report within the Annual Report.

As well as providing an overview of people issues, particularly talent management, succession and development planning for senior management and diversity, the committee advises the Board on remuneration policies and practices, evaluates the performance of the CEO against pre-agreed goals, and makes recommendations to the Board on remuneration of the CEO and the senior management team.

The Human Resources and Remuneration Committee Charter is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

The committee regularly obtains and considers advice from the remuneration consultants which have been appointed by the Board.

## **Recommendation 8.2 – Disclosure of Executive and Non-Executive Director remuneration policy**

Details of the principles and amounts of remuneration of Non-Executive Directors, Executive Directors and specific senior executives who are designated as Key Management Personnel, are set out in the Remuneration Report, which also includes disclosures on equity-based remuneration provided by the Group.

## **Recommendation 8.3 – Policy on hedging equity incentive schemes**

The Group's Share Trading Policy prohibits the hedging of unvested performance share rights and vested securities that are subject to disposal restrictions at all times, irrespective of trading windows. This is in line with the requirements of the Executive Remuneration Act, and is intended to prevent transactions which could have the effect of distorting the proper functioning of performance hurdles or reducing the intended alignment between management's and shareholders' interests.

For the purposes of this policy, hedging includes the entry into any derivative transaction within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars) and any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities.

The Share Trading Policy is available in the Governance section of the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).