

ARISTOCRAT LEISURE LIMITED NOTICE OF 2023 ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

FRIDAY, 24 FEBRUARY 2023 AT 11.00AM (SYDNEY TIME)

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



How to participate in the 2023 AGM

Before the AGM



AGM Notice of Meeting

- Access online at <https://boardroomlimited.com.au/agm/aristocrat2023agm>
- Request a hard copy by phone: **1300 737 760** or **+61 2 9290 9600** (outside Australia)
- Request a hard copy by email: aristocrat@boardroomlimited.com.au



Appoint a proxy

- Shareholders who are unable to join us at the AGM are encouraged to appoint a proxy to attend and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the Meeting in accordance with your directions
- Appoint a proxy online at <https://boardroomlimited.com.au/agm/aristocrat2023agm> or return a hard copy proxy form



Ask a question

- Shareholders are encouraged to submit questions in writing to the Company or auditor in advance of the Meeting
- Submit a question online at <https://boardroomlimited.com.au/agm/aristocrat2023agm> or via email to aristocrat@boardroomlimited.com.au
- Questions should be submitted by no later than 11.00am (Sydney time) on Friday, 17 February 2023

To be valid, your proxy form must be submitted by no later than 11.00am (Sydney Time) on Wednesday, 22 February 2023

At the AGM



Attend

- Shareholders can attend the Meeting at: Aristocrat Head Office Building A, Pinnacle Office Park 85 Epping Road North Ryde NSW 2113
- If you have a hard copy proxy form, please bring it to the Meeting to assist with registration
- Only shareholders, proxyholders, body corporate representatives or attorneys attending in person can vote or ask questions during the AGM



Vote

- Only shareholders, proxyholders, body corporate representatives or attorneys can vote at the Meeting
- Once you have registered at the venue, you will be provided details on how to vote



Ask a question

- Shareholders, proxyholders, body corporate representatives and attorneys will have a reasonable opportunity to ask questions at the AGM
- Shareholders may direct questions during the AGM to the Chairman about the operations and management of Aristocrat, or to Aristocrat's external auditor



View the webcast

- The AGM will be webcast live. You do not need to be a shareholder or proxyholder to view the webcast
- Shareholders watching online will not be able to vote, ask questions or make comments via the webcast
- Information on how to access the webcast can be found at <https://boardroomlimited.com.au/agm/aristocrat2023agm>

Map and transport

Parking

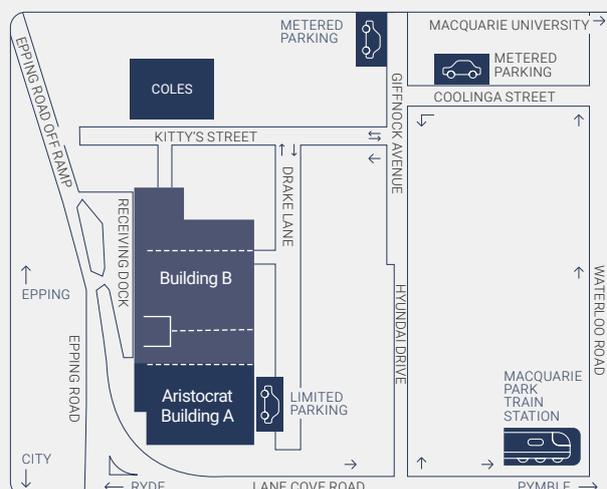
Metered street parking is available on Giffnock Avenue and Coolinga Street. Limited free parking is also available on Drake Lane.

Public Transport

The Aristocrat Head Office is less than a five minute walk from Macquarie Park station (part of the Sydney Metro Northwest 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](https://www.transportnsw.info)



Chairman's Message

Dear shareholder,

2023 Annual General Meeting

On behalf of the Board, I am pleased to invite you to attend the 2023 Annual General Meeting (**AGM** or **Meeting**) of Aristocrat Leisure Limited (**Company** or **Aristocrat**), which has been scheduled as follows:

Date: Friday, 24 February 2023

Time: 11.00am (Sydney time)
Registration opens from 10.00am

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

This year, the Company is returning to a face-to-face AGM and I look forward to welcoming everyone in person. The Company's showroom will once again be open from 10.00am and I invite you to come and see the exciting range of games that will be on display.

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 that will be put to shareholders.

If you are unable to attend the Meeting, we encourage you to watch the live webcast, appoint a proxy to vote on your behalf and submit any questions that you have in advance of the Meeting. Further information can be found on page 12.

In the event that it is necessary for the Company to give further updates or make alternative arrangements for the holding or conduct of the meeting, information will be provided on the Company's website and lodged with the Australian Securities Exchange (**ASX**).

Overview of the year ended 30 September 2022

Aristocrat delivered a high quality result for the 2022 financial year. Strong revenue and profit growth reflected our sustained investment in top-performing product portfolios, differentiating capabilities, increased operational diversification and business resilience.

A normalised Group profit result of around \$1.1 billion represented an increase of 27% in reported terms, and 20% in constant currency, compared to the corresponding 2021 result.

Strong operating cash flows and superior financial fundamentals were also maintained, with a net cash position of \$564 million and liquidity of \$3.8 billion as at 30 September 2022. Cash of \$660 million was appropriately returned to shareholders through dividends and on-market share buy-back, in line with the Group's established capital allocation framework.

Outstanding operational performance was delivered in key Gaming segments in 2022, particularly in North America. Our mobile publishing business, Pixel United, delivered resilient performance, despite the impacts of the conflict in Ukraine, as well as a moderation in overall mobile demand, post the removal of COVID-19 stay-at-home mandates. The launch of our new business, Anaxi, and the announcement of an agreement to acquire Roxor Gaming were important steps forward in the acceleration of our 'build and buy' strategy to scale in online Real Money Gaming.

Aristocrat took significant steps forward in leadership and capability during 2022, including through key appointments to the executive leadership team. Mitchell Bowen was appointed to lead Anaxi, and Hector Fernandez was promoted to succeed Mitchell as Chief Executive Officer of Aristocrat Gaming. Post period end, Sally Denby was appointed to the role of Chief Financial Officer.

Aristocrat also continued to execute against our ambitious Environmental, Social and Governance commitments across the year. This included preparatory work to allow the Group to set a science-based greenhouse gas emissions reduction target in calendar year 2023. We made meaningful progress in our responsible gameplay (RG) agenda, with highlights including the launch of an Australian-first trial of cashless payment technology on gaming machines, and the rollout of proactive RG messaging, tools and information to players of our social casino games. In addition, we delivered enhanced anti-modern slavery training across the Group and achieved an above-benchmark employee engagement score for the year that places Aristocrat in the top quartile of technology companies globally.

Throughout 2022, we also continued to foster a 'People First' culture, with the launch of a number of additional initiatives to further enhance the wellbeing, engagement and development of all team members. Supporting our colleagues in Ukraine was a particular focus, and a moving demonstration of our values in action.

Ongoing Board renewal and succession planning

The Board seeks to have an appropriate and diverse mix of skills and experience to discharge its responsibilities, appropriately monitor risk management and add value. We adopt a structured approach to Board succession planning which includes ensuring that we appoint directors who have skills and experience that the Board considers necessary or desirable to further supplement its overall skills matrix.

The Board has continued to implement an orderly renewal process with the nomination of Mr Bill Lance as a Non-Executive Director (Elect) on 19 October 2022. Bill was formally appointed to the Board on 4 January 2023, and shareholders are asked to elect Bill at the Meeting. Bill has decades of experience at a major gaming operator and is a Tribal leader of national standing in North America. He will bring valuable new perspectives to the Board's deliberations and further strengthen the customer focus of our organisation as a whole.

In addition, Mr Stephen Mayne has submitted a nomination for election as a Non-Executive Director. Having considered Mr Mayne's skills and experience, the Board has recommended that shareholders vote against his election.

In summary, fiscal year 2022 has been another successful and rewarding year at Aristocrat and I wish to thank you – our shareholders – for your ongoing interest and support.

Yours sincerely



Neil Chatfield
Chairman

Business of the Meeting

Agenda items

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 2022.

Resolution 1:

Re-election of Director – Mr Philippe Etienne

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

"That Mr Philippe Etienne is re-elected as a Director of the Company."

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

Resolution 2:

Re-election of Director – Mr Pat Ramsey

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

"That Mr Pat Ramsey is re-elected as a Director of the Company."

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

Resolution 3:

Re-election of Director – Ms Kathleen Conlon

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

"That Ms Kathleen Conlon is re-elected as a Director of the Company."

Note: Information about Ms Conlon appears in the Explanatory Statement to this Notice of Meeting.

Resolution 4:

Election of Director – Mr Bill Lance

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

"That Mr Bill Lance is elected as a Director of the Company."

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

Resolution 5:

Election of non-Board endorsed Director candidate – Mr Stephen Mayne

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

"That Mr Stephen Mayne is elected as a Director of the Company, with effect from the date all necessary regulatory approvals are received by the Company."

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

Resolution 6:

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

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 163,541 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."

Note: Information on the proposed grant of Performance Share Rights to Mr Croker appears in the Explanatory Statement to this Notice of Meeting.

Voting exclusion:

The Company will disregard any votes cast on Resolution 6:

- in favour of the resolution by or on behalf of Mr Croker or 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 on Resolution 6:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy as the Chairman decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Business of the Meeting continued

Resolution 7: **Adoption of 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 2022 be adopted.”

Note: Information on the Remuneration Report appears in the Explanatory Statement to this Notice of Meeting.

Voting exclusion:

The Company will disregard votes cast on Resolution 7:

- by or on behalf of a member of the Company’s KMP whose remuneration details are included in the Remuneration Report for the year ended 30 September 2022, or their closely related parties, regardless of the capacity in which the vote is cast; or
- 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 7:

- in accordance with a direction on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy, even though Resolution 7 is connected with the remuneration of the Company’s KMP.

Resolution 8: **Reinsertion of proportional takeover approval provisions**

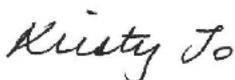
To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the Company reinsert the proportional takeover approval provisions in clause 26 of the Company’s Constitution for a period of three years from the date of this resolution.”

Note: Information on the proportional takeover approval provisions appears in the Explanatory Statement to this Notice of Meeting.

The Explanatory Statement forms part of the Notice of Meeting.

By order of the Board.



Kristy Jo
Company Secretary

24 January 2023

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 resolutions.

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 2022 (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. The Annual Report is available from the Company website, 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 and the management of the Company. The Auditor will be in attendance at the Meeting and can answer questions on the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Resolution 1: Re-election of Director – Mr Philippe Etienne

Mr Philippe Etienne is submitting himself for re-election at the Meeting.

Brief biographical details of Mr Etienne are set out below:

Academic and professional qualifications: Graduate Diploma in Marketing, David Syme Business School, Bachelor of Science (Physiology and Pharmacology), Monash University, Advanced Management Program, Harvard University, ICI Australia MBA Program, IMCB Pacific.

Mr Etienne was nominated to be a Director of the Company in October 2019, appointed effective November 2019 and was elected at the Company's 2020 AGM.

The Board considers that Mr Etienne is an independent Director.

Mr Etienne is an experienced international executive with a strong strategic background, being a former Managing Director & CEO of Innovia Security Pty Ltd, a global disruptive technology company, and held a range of senior executive positions with Orica Limited in Australia, the USA and Germany.

Mr Etienne has extensive governance experience as a company director, including with ASX listed companies. He is currently Chairman of Quantum (trading name of ANZ Terminals Pty Limited) and is also currently a Non-Executive Director of Lynas Rare Earths Ltd and Cleanaway Waste Management Ltd.

Mr Etienne is a member of the Regulatory and Compliance Committee and the People and Culture Committee.

Recommendation

The Directors (with Mr Etienne abstaining) support the re-election of Mr Etienne as a Director of the Company and recommend that shareholders vote in favour of Resolution 1.

Resolution 2: Re-election of Director – Mr Pat Ramsey

Mr Pat Ramsey is submitting himself for re-election at the Meeting.

Brief biographical details of Mr Ramsey are set out below:

Academic and professional qualifications: Mr Ramsey graduated cum laude from Harvard with a Bachelor's Degree in Economics and has an MBA from the Kellogg School of Management at Northwestern University.

Mr Ramsey was nominated to be elected as a Director of the Company in September 2016 and was last re-elected at the Company's 2020 AGM.

The Board considers that Mr Ramsey is an independent Director.

Mr Ramsey originally joined Aristocrat in 2016 as the Chief Digital Officer, overseeing all aspects of our online business and was in this role for approximately nine months prior to his appointment as a Non-Executive Director. Mr Ramsey has spent over 21 years in the gaming industry, having worked in both land-based casino operations and in casino gaming technology. He is the former CEO of Multimedia Games and, prior to joining Multimedia, served in a variety of roles for Caesars Entertainment in various jurisdictions around the United States.

Mr Ramsey is the Non-Executive Chairman of Codere Online Luxembourg SA (NASDAQ: CDRO) and a Director of SimpleBet, Inc. He also serves as the Vice Chairman of the Board of Trustees for the Meadows School (Las Vegas, USA) and is a member of the Operating Council for Arrow International.

Mr Ramsey is the Lead US Director, Chair of the Regulatory and Compliance Committee and a member of the Audit Committee.

Recommendation

The Directors (with Mr Ramsey abstaining) support the re-election of Mr Ramsey as a Director of the Company and recommend that shareholders vote in favour of Resolution 2.

Resolution 3: Re-election of Director – Ms Kathleen Conlon

Ms Kathleen Conlon is submitting herself for re-election at the Meeting.

Brief biographical details of Ms Conlon are set out below:

Academic and professional qualifications: Bachelor of Economics (Distinction), Northwestern University and MBA, Kellogg Graduate School of Management.

Ms Conlon was nominated to be elected as a Director of the Company in January 2014 and was last re-elected at the Company's 2020 Annual General Meeting.

The Board considers that Ms Conlon is an independent Director.

Ms Conlon brings over 23 years of professional management consulting experience. She is a recognised thought leader in the fields of strategy and business improvement and has advised leading companies across a wide range of industries and countries. In her seven years as a partner and Director of the Boston Consulting Group (BCG), Ms Conlon led BCG's Asia Pacific Operations Practice and, previously, the Sydney Office.

Ms Conlon is the Non-Executive Chairman of Lynas Rare Earths Ltd and a Non-Executive Director of BlueScope Steel Limited. She is a former Non-Executive Director of REA Group Limited, CSR Limited and The Benevolent Society. She is a member of Chief Executive Women, the Chair of the Australian Institute of Company Directors (AICD) Corporate Governance Committee and a former National Board member of the AICD.

Ms Conlon is the Chair of the People and Culture Committee and a member of the Audit Committee.

Recommendation

The Directors (with Ms Conlon abstaining) support the re-election of Ms Conlon as a Director of the Company and recommend that shareholders vote in favour of Resolution 3.

Resolution 4: Election of Director – Mr Bill Lance

Mr Bill Lance is submitting himself for election at the Meeting.

Brief biographical details of Mr Lance are set out below:

Academic and professional qualifications: Master of Public Health degree, University of Oklahoma, College of Public Health, Bachelor of Science, East Central University and Fellow of the American College of Healthcare Executives.

Mr Lance was nominated to be a Director (Elect) of the Company from 19 October 2022, subject to the receipt of the relevant regulatory pre-approval. This regulatory pre-approval was subsequently received and Mr Lance's appointment as a Non-Executive Director was confirmed on 4 January 2023, subject to shareholder approval at the 2023 Annual General Meeting.

The Board considers that Mr Lance is an independent Director.

Appropriate checks into Mr Lance's background and experience were conducted and these checks did not reveal any information of concern.

Mr Lance is a prominent Native American Tribal leader in North America and has decades of executive experience, including as the longest-serving Secretary of Commerce in the history of the Chickasaw Nation, a major Oklahoma-based Tribal nation, where he was responsible for 7,000 employees and more than 60 gaming, hospitality, retail and media commercial operations.

Upon stepping down as Secretary of Commerce, Mr Lance was given the honorary title of the Chickasaw Nation's Secretary of State as part of a planned succession. In this role, Mr Lance continues to represent the Nation on multiple Tribal and other national and state level organisations across the United States, such as on the executive committees of the American Gaming Association and Greater Oklahoma City Chamber.

Mr Lance is a Non-Executive Director at BancFirst Corp (NASDAQ: BANF).

Recommendation

The Directors (with Mr Lance abstaining) support the election of Mr Lance as a Director of the Company and recommend that shareholders vote in favour of Resolution 4.

Resolution 5: Election of non-Board endorsed Director candidate – Mr Stephen Mayne

Mr Stephen Mayne, an external non-Board endorsed candidate, has submitted himself for election as a Non-Executive Director of the Company.

The Board has thoroughly considered Mr Mayne's nomination in the context of the Board skills matrix and its composition, including geographic diversity. It has reviewed Mr Mayne's skills and experience against those already represented on the Board, as reflected in the skills and experience matrix in the 2022 Corporate Governance Statement, and those required to support the execution of Aristocrat's strategy and evolving needs.

The Board has also considered the extent of Mr Mayne's experience in director and senior management positions of sophisticated, globally operating companies of a scale and complexity similar to that of Aristocrat. Having regard to these matters and the best interests of the Company, the Board has determined not to support Mr Mayne's appointment.

As Mr Mayne's nomination was received shortly before this Notice of Meeting was finalised, the Company has not had the opportunity to undertake its usual background checks and obtain the necessary regulatory approvals in respect of Mr Mayne.

The following biographical information has been provided by Mr Mayne and has not been independently verified by Aristocrat.

Stephen Mayne, 53. BCom (Melb). GAICD.

Stephen Mayne has self-nominated to be a Director-Elect of Aristocrat Leisure and acknowledges that if a majority of voted shares support his nomination, his formal appointment to the board would be conditional on the approval of various gaming regulators. He has submitted this platform and CV for the consideration of shareholders at the February 24 AGM which the company has published in full, without editing or verifying:

Stephen is a Walkley Award-winning business journalist, experience local government councillor, Australia's leading retail shareholder advocate and a supporter of reduced gambling harm in the Australian community.

He founded www.crikey.com.au, Australia's best known independent journalism ezine, in 2000 before selling it in 2005 and remains a regular contributor. He currently publishes the corporate governance ezine www.maynereport.com and contributes columns and podcasts for Alan Kohler's Eureka Report investor newsletter.

Stephen's governance experience includes 6 years as a City of Manningham councillor in Melbourne's eastern suburbs, where he currently serves. He also served a 4 year term (2012-2016) as a City of Melbourne councillor, where he chaired the Finance and Governance Committee, and spent 5 years on the Australian Shareholders' Association board. He has also been employed in communication and policy roles at the ASA, the Alliance for Gambling Reform and in the Kennett Government's media unit and spent almost 10 years at mainstream newspapers including The Age, the Herald Sun, The Australian Financial Review and The Daily Telegraph working as a reporter, business editor, chief of staff and columnist.

Stephen believes he would diversify the Aristocrat board's perspective bringing broad political, business, governance, media, ESG and gambling knowledge to the table but was motivated to nominate out of concern over the following three transparency, governance and social issues:

Explanatory Statement continued

1. The company's reluctance to publicly support NSW Premier Dominic Perrottet by enthusiastically embracing a switch to cashless Electronic Gaming Machines in Australia as a regulatory and policy tool to reduce criminal money laundering and gambling harm, despite its Australia-wide market share of approximately 50% in terms of installed machines;
2. The company's on-going collaboration with peak bodies representing Australia's 5,000 pubs and clubs with Electronic Gaming Machines, such as Clubs NSW and the Australian Hotels Association, which make regular large political donations and conduct sophisticated political influencing operations, undermining Aristocrat's stated noble policy of declining to make any political contributions worldwide;
3. The company's decision to take down the webcast archives of all past AGMs and ongoing refusal to publish an AGM transcript or even provide a private transcript to interested shareholders not able to attend the physical AGM or watch past AGMs live online. The AGM is the one public engagement the Aristocrat directors have to attend each year and to decline access to a full record of the debate to its 50,000 retail shareholders shows a lack of transparency and respect. Aristocrat has also reverted to a physical AGM this year with no online voting or debate, when best practice to maximise voting and debate participation is the so-called "hybrid" model.

Recommendation

The Directors do not support the election of Mr Mayne as a Director of the Company and recommend that shareholders vote against Resolution 5.

Resolution 6: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director under the Long-Term Incentive Program

CEO remuneration

Mr Croker's remuneration arrangements for FY2023 as CEO and Managing Director (CEO) are as follows:

	(USD)
Fixed Remuneration	\$1.40m
Short Term Incentive (at target)	\$1.58m
Long Term Incentive (at target and maximum)	\$3.48m
Total Target Remuneration	\$6.46m

The Board continues to review the CEO's remuneration arrangements to ensure these are globally competitive and effectively incentivises Mr Croker to deliver Aristocrat's growth strategy and drive sustainable financial performance, in the interests of shareholders.

Overview of the Long-Term Incentive Program (LTIP)

Aristocrat's remuneration principles include a 'pay for performance' philosophy and links rewards to business results and strategy and alignment to shareholder interests and sustainable shareholder returns. As a truly global organisation, the LTIP is also used to attract, retain and motivate appropriately qualified and experienced executives in the global markets in which Aristocrat operates and competes for talent.

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.

In the same way as other LTIP participants, the CEO's long-term incentive will be awarded in the form of Performance Share Rights (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 163,541 PSRs to Mr 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.

While the Board intends to source any Aristocrat shares allocated to Mr Croker on vesting of his PSRs through on-market purchases (which are excluded from the operation of ASX Listing Rule 10.14), it is nevertheless seeking shareholder approval in the interests of transparency and good corporate governance, and to preserve flexibility if the Company decides at the time of vesting that it is more appropriate to issue Aristocrat shares.

If shareholder approval is obtained, it is intended that the PSRs will be granted to Mr Croker shortly after the Meeting, and in any case within 3 years of the Meeting. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Croker.

Specific terms of the CEO's LTIP grant

The Board proposes that the CEO be granted 163,541 PSRs under the LTIP for his 2023 award.

The Board has determined Mr Croker's long-term incentive opportunity for the 2023 award is USD\$3,480,000 (LTI Opportunity) representing 54% 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 2022 (the day before the start of the performance period) which was \$33.26 per share (Face Value). This is the same face value methodology that was used to calculate the number of PSRs awarded to other executives as part of the Company's LTIP;
- b. converting the Face Value into USD using the 1 October 2022 Group fx rate of 0.6397; 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 certain vesting conditions being met within a set performance period.

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

Vesting conditions	– Vesting conditions will apply to the PSRs as outlined in Appendix A to this Explanatory Statement.
Performance Period	– Each of the vesting conditions will be tested over a performance period of three years.

Explanatory Statement continued

Testing and vesting	<ul style="list-style-type: none">– The vesting conditions 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.– Each PSR generally entitles Mr Croker to one fully paid ordinary share in the Company on vesting. However, the Board retains a discretion to make a cash equivalent payment in lieu of an allocation of shares. No amounts will be payable by the participants upon vesting of the PSRs.– If the relevant vesting conditions are not satisfied at the end of the performance period then the PSRs will lapse.– 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.	Cessation of employment <ul style="list-style-type: none">– If a participant ceases employment with the Company within 12 months of the start of the performance period for any reason, all unvested PSRs will lapse on or around the date of cessation of employment with the Group.– If the participant ceases employment after 12 months of the start of the performance period and before the vesting conditions are tested, and is (i) a 'good leaver', then any unvested PSRs with financial performance vesting conditions will be pro-rated for time served and will remain on foot (subject to testing in the ordinary course), unless the Board determines otherwise; or (ii) not a 'good leaver', then all unvested PSRs will automatically lapse on or around the date of cessation of employment with the Group, unless the Board determines otherwise.
Ranking of shares	<ul style="list-style-type: none">– Upon vesting of the PSRs, shares received by participants will rank equally with ordinary shares currently on issue.	Clawback <ul style="list-style-type: none">– In the event of a material misstatement of performance, or where vesting is not justified, appropriate or supportable in the opinion of the Board, including if a participant joins a competitor, the Board has the discretion to lapse unvested PSRs. The clawback policy that applies to vested incentives permits clawback of any shares allocated on vesting of the PSRs, as well as cash payments received on vesting of PSRs or proceeds from the sale of shares.
Voting and dividend rights	<ul style="list-style-type: none">– PSRs do not carry any voting rights and participants are not entitled to dividends until PSRs have vested and converted into ordinary shares.– Shares allocated on vesting of the PSRs will carry full dividend and voting rights from the date of allocation.	Trading restrictions <ul style="list-style-type: none">– 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.
Change of control event	<ul style="list-style-type: none">– There is no automatic vesting of PSRs on a change of control. The Board will (in its discretion) determine the appropriate treatment of PSRs in the event of a change of control.– 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.	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: <ol style="list-style-type: none">1,617,495 PSRs have previously been allocated at no cost to Mr Croker under the LTIP.The price payable on the issue of each PSR is nil.The Company uses PSRs because they create alignment between executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the PSRs vest.Mr Croker is the only Director entitled to participate in the LTIP.There is no loan in relation to the proposed award of PSRs to Mr Croker.Details of any securities issued under the LTIP will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTIP after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.
Reorganisation event	<ul style="list-style-type: none">– 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.	
Participating in capital raising	<ul style="list-style-type: none">– 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.	

Recommendation

The Directors (with Mr Croker abstaining) recommend that shareholders vote in favour of Resolution 6.

Resolution 7: Adoption of Remuneration Report

The Remuneration Report for the year ended 30 September 2022 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.

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:

- executive remuneration philosophy and framework;
- an explanation of the Board's policies in relation to the objectives and structure of remuneration;
- remuneration outcomes in FY2022 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.

In accordance with the *Corporations Act 2001* (Cth) (the **Corporations Act**), this resolution is advisory only and does not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration in future reviews of the remuneration policy for Non-Executive Directors and Executive KMP.

Recommendation

The Directors recommend that shareholders vote in favour of Resolution 7.

Resolution 8: Reinsertion of proportional takeover approval provisions

Clause 26 of the Company's Constitution contains provisions which prohibit the registration of transfers of shares acquired under a proportional takeover bid unless a resolution is passed by the shareholders approving the bid.

Under the Corporations Act, proportional takeover approval provisions expire three years from adoption or renewal and may then be renewed. The proportional takeover provisions were last renewed at the Company's 2020 Annual General Meeting. The Board is seeking shareholder approval to reinsert the proportional takeover approval provisions in the Constitution. The proposed proportional takeover provisions are identical to those previously adopted by the Company.

What is a proportional takeover bid?

A proportional takeover offer is one where the takeover offer made to each shareholder of a company is only for a proportion of that shareholder's shares. For example, the bidder only makes a bid for 30 per cent of each shareholder's shares. The specified proportion must be the same in the case of all shareholders.

This means that control of the company may pass without shareholders having the chance to sell all their shares to the bidder. The bidder may take control of the company without paying an adequate amount for gaining control.

To deal with this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all shareholders. The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

Effect of provisions to be included

If a proportional takeover bid is made, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on at least 14 days before the last day of the takeover bid period.

Each member has one vote for each fully paid share held. Each partly paid share carries a fraction of a vote, reflecting the amount paid up. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with other provisions of the Corporations Act and the Company's Constitution.

The Directors breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved. This effectively means that shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

The proportional takeover approval provisions do not apply to full takeover offers and will only apply for three years after the date of renewal. The provisions may be renewed again by a special resolution of shareholders. Similar provisions are commonly found in the constitutions of publicly-listed companies on the ASX and are regularly renewed.

Potential advantages and disadvantages

Whilst similar proportional takeover approval provisions have been in effect, there have been no full or proportional takeover bids for the Company and therefore the rule has not been activated. The Directors are not aware of any potential takeover bid that was discouraged by the proportional takeover provisions.

The provisions enable the Directors to ascertain the views of shareholders on a proportional takeover bid. Apart from this, there is no specific advantage for Directors (in their capacity as directors) in reinserting the proportional takeover provisions because they remain free to make their own recommendation on whether a proportional takeover bid should be approved or rejected.

The potential advantages of the proportional takeover approval provisions for shareholders of the Company are:

- shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may help shareholders to avoid being locked in as a minority;
- the bargaining power of shareholders is increased which may help ensure that any partial offer is adequately priced; and
- knowing the view of the majority of shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover offer and to decide whether to accept or reject that offer.

The potential disadvantages for shareholders of the Company include:

- proportional takeover offers for securities in the Company may be discouraged;
- shareholders may lose an opportunity of selling all or some of their securities at a premium;
- the chance of a proportional takeover being successful may be reduced; and
- the provisions may be considered to be an additional restriction on the ability of individual shareholders to deal freely in their shares.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

No knowledge of present acquisition proposals

At the date of this notice, no director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Recommendation

The Directors recommend that shareholders vote in favour of Resolution 8.

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 2023 grant to Mr Croker, as the CEO and Managing Director:

- 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;
- growth in earnings per share (**EPS**) of the Company compared to targets set by the Board (**Relevant EPS**) – in relation to thirty percent (30%) of the PSRs granted; and
- an individual performance based vesting condition that the relevant participant achieves or outperforms against objectives and key results (**OKRs**) over the entire course of the three-year performance period – 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;
- provides a relative, external, market-based performance measure against those companies with which the Company competes for capital, customers and talent; and
- is widely understood and accepted by key stakeholders.

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

- is a relevant indicator of increases in shareholder value; and
- is a target that provides a suitable line of sight to encourage executive performance.

Aristocrat is one of a small group of ASX listed companies that derives the majority of its revenues from overseas markets and is genuinely global in its structure and operations. Aristocrat's senior leadership is predominantly US based, and the business must increasingly attract, retain and motivate leaders in the US market with technology and global management skillsets, which reinforces the need for Aristocrat's remuneration structures to evolve and take into account global pay philosophies, particularly those in the technology industry, while also being regionally appropriate.

In that context, the Board selected an **individual performance based** vesting condition on the basis that it aligns with US practice and ensures that Aristocrat's LTIP is competitive relative to global and US peers who have elements of service based vesting (restricted stock). Importantly, this is a performance based hurdle requiring that an executive achieves or outperforms against objective balanced scorecard OKRs over the entire course of the three-year performance period in addition to continuous service for the performance period. Vesting of this tranche requires consistent and sustained individual performance for three years in a row – if OKRs are not met in any one year then the entire tranche is forfeited. There is no catch-up or retesting.

The OKRs are aligned to supporting Aristocrat's longer-term strategy and driving continued sustainable growth.

This hurdle allows the Board to take into account behaviours and conduct relating to risk management in determining outcomes relating to this hurdle. The balanced scorecard approach ensures that safeguards are in place to protect against the risk of unintended and unjustified outcomes.

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 2022 until 30 September 2025.

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 vests (%)
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%

The Board may adjust the TSR vesting conditions to ensure that an executive is neither advantaged or disadvantaged by matters outside of management's control that affect achievement of the vesting conditions. The Board may also exercise its discretion to ensure that the TSR vesting conditions are adjusted to reflect sustainable growth outcomes aligned to the interests of shareholders.

Appendix A continued

Relevant EPS Vesting Condition (30% of total PSRs)

The Relevant EPS vesting condition is measured by comparing the Company's compound annual EPS growth rate (**CAGR**) over a three year performance period (1 October 2022 to 30 September 2025) against the 'minimum' EPS growth and the 'maximum' EPS growth thresholds, as set by the Board at the beginning of the performance period.

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

The EPS growth thresholds set by the Board for the performance period are considered commercially sensitive by the Board and will accordingly be disclosed in the Remuneration Report published in respect of the year in which the vesting condition is tested.

As the Relevant EPS component is determined as the compound EPS growth over a three year performance period, the extent of vesting of the Relevant EPS component of the LTI cannot be determined until the conclusion of the three year performance period.

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

Company Relevant EPS performance	PSRs subject to the Relevant EPS vesting condition that vests (%)
Less than the minimum EPS growth threshold	0%
Equal to the minimum EPS growth threshold	50%
Greater than the minimum EPS growth threshold, up to the maximum EPS growth threshold	Between 50% and 100%, increasing on a straight line basis
At or greater than the maximum EPS growth threshold	100%

The Board may adjust the EPS vesting conditions to ensure that an executive is neither advantaged or disadvantaged by matters outside of management's control that affect achievement of the vesting conditions.

Individual performance based vesting condition (40% Of Total PSRs)

This element of the LTIP will only vest if Mr Croker meets or exceeds against a set of challenging objective-balanced scorecard OKRs set by the Board over the entire course of the three year performance period, in addition to continuous service for the performance period.

Vesting of this tranche requires consistent and sustained individual performance for three years in a row – if OKRs are not met in any one year then the entire tranche is forfeited. There is no catch-up or retesting.

Vesting outcomes in connection with this tranche will be disclosed in the Remuneration Report published in respect of the year in which the vesting condition is tested.

Voting instructions & notes

Participating in the AGM

Shareholders are invited to attend the AGM in person.

If you are unable to attend the AGM, we encourage you to appoint a proxy. Please lodge your proxy online at <https://boardroomlimited.com.au/agm/aristocrat2023agm> or complete and return a hard-copy proxy form to our share registry, Boardroom Pty Ltd, so that it is received prior to 11.00am (Sydney time) on Wednesday, 22 February 2023.

Shareholders who cannot attend the Meeting are also invited to submit questions online at <https://boardroomlimited.com.au/agm/aristocrat2023agm> or via email to aristocrat@boardroomlimited.com.au. Questions must be submitted by no later than 11.00am (Sydney time) on Friday, 17 February 2023. The more frequently raised relevant shareholder issues will be addressed by the Chairman during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

There will also be a live webcast of the AGM available so shareholders can view the proceedings in real time. Information on how to access the webcast can be found at <https://boardroomlimited.com.au/agm/aristocrat2023agm>.

Determination of entitlement to attend and vote

For the purposes of determining an entitlement to vote at the Meeting, persons who are registered as shareholders at 7.00pm (Sydney time) on Wednesday, 22 February 2023 will be entitled to vote in respect of shares held at that time.

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 **Corporations 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.

Where a shareholder appoints an attorney to act on his/her behalf at the Meeting or a proxy form is signed under power of attorney, such appointment must be made by a duly executed power of attorney. The power of attorney (or a certified copy) must be given to Boardroom by 11.00am (Sydney time) on Wednesday, 22 February 2023, unless it has previously been provided.

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 and ask questions. However, the proxy's right to speak and vote is suspended while the shareholder is present at the meeting.

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 against resolution 5 and in favour of all other resolutions.

If you appoint the Chairman as your proxy but do not direct the Chairman on how to vote, then by completing and submitting your voting instructions you are expressly authorising the Chairman to vote in that manner, even where a resolution is directly or indirectly connected to the remuneration of a member of the Company's KMP.

An instrument appointing a proxy must be lodged as follows by no later than 11.00am (Sydney time) on Wednesday, 22 February 2023 in order to be effective:

- online at <https://boardroomlimited.com.au/agm/aristocrat2023agm> and following the instructions on the proxy form;
- 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, at (61) 2 9290 9655; or
- by hand at Boardroom Pty Limited, Level 8, 210 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 Corporations Act. The representative should provide Boardroom with evidence of his or her appointment prior to the Meeting, 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

Voting on resolutions set out in this Notice of Meeting will be conducted by poll. 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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