



STRATEGIC RISK COMMITTEE CHARTER

APRIL 2017

1. INTRODUCTION

The Strategic Risk Committee (the **Committee**) is established as a committee of the Board of Aristocrat Leisure Limited (**Aristocrat**) on the terms set out in this Charter and in accordance with the Board's Charter and the Company's Constitution.

2. PURPOSE

- 2.1 The Board as a whole is ultimately responsible for the sound management and monitoring of risk across the organisation. The purpose of the Committee, operating alongside other Board Committees, is to provide a Board-level forum to assist the Board to fulfil its statutory, fiduciary and regulatory risk oversight and governance responsibilities.
- 2.2 The Committee's key mandate is to:
- facilitate an integrated, enterprise-wide approach to identifying and managing key risks, an effective anticipation of and reaction to events and trends that could lead to disruptive change, and a strong focus on specific critical strategic risks;
 - ensure that Aristocrat's key strategic risks are appropriately catalogued, managed (including stress testing' mitigation controls) and reported; and
 - report to the Board or a Board Committee (as applicable) and provide appropriate advice and recommendations on matters relevant to this Charter in order to facilitate decision making by the Board.
- 2.3 The Board Audit Committee will be responsible for ensuring that financial risk management processes are being adhered to and that the appropriate audit controls and treatments and controls are maintained for all identified financial risks. Any issues of demarcation between the responsibilities of the Committee and the Board Audit Committee will be resolved by a meeting of the two Committees or, if agreement cannot be reached, by the full Board.
- 2.4 The Chairs of the Committee and the Board Audit Committee will meet periodically to agree an allocation / delineation of the various risk items between the two committees.

3. TERMS OF REFERENCE

The Committee's terms of reference include:

- 3.1 Assist the Board by overseeing and monitoring Aristocrat's risk management policies (in connection with key strategic risks), processes and management's effectiveness in managing key designated strategic risks and internal controls.
- 3.2 Focus on key ('enterprise-wide') strategic and governance risks.
- 3.3 Review and recommend to the Board for approval Aristocrat's overall risk management policy and framework.
- 3.4 Ensure appropriate risk-awareness culture, training and communication are embedded throughout Aristocrat.
- 3.5 Provide a conduit to the full Board and, in certain instances, the Board Audit Committee, for external advice on risk management.
- 3.6 Provide appropriate reports and recommendations to the Board and, in certain instances, the Board Audit Committee, to ensure the full Board is aware of key strategic matters that may significantly impact the financial condition or affairs of the business (or, in the case of the Board Audit Committee, risks which may have financial statements implications).
- 3.7 Monitor crises management and business continuity.

- 3.8 Monitor changes in the economic, business or regulatory environment which may impact on the risk profile of Aristocrat and changes to Aristocrat's business that may give rise to new strategic / enterprise-wide risks.

4. SPECIFIC DELEGATIONS FROM THE BOARD

The Committee has delegated authority to act as first point of Board reference for management of any major strategic or governance matters likely to adversely affect Aristocrat's strategic risk profile, reputation or its stakeholders.

5. COMPOSITION

- 5.1 The Board shall determine the composition of the Committee. The Committee shall consist of at least four (4) members, the majority of whom should be independent non-executive directors. Independence is given the same meaning as in the Board Charter. The Managing Director & Chief Executive Officer (**CEO**) will also be a member of the Committee.
- 5.2 The Board shall appoint the Chair of the Committee who must be an independent non-executive director and who should not also be the Chair of the Board. In the chair's absence from a meeting, the members present will select a chair for that particular meeting.
- 5.3 The CEO, the Chief Financial Officer, the Company Secretary, other CEO delegate(s) and any additional members of the senior management team as designated by the Committee Chair and CEO should attend all Committee meetings.
- 5.4 The Company Secretary will serve as the Committee Secretary. If this person is unable to attend a Committee meeting, an appropriate other member of the senior management team (approved by the Committee Chair) will attend in the capacity as Committee Secretary.

6. COMMITTEE MEETINGS

- 6.1 The Committee will hold at least three (3) meetings per year. Additional meetings may be convened if necessary. It is expected that all Committee members attend all meetings. All directors have a standing invitation to attend meetings of the Committee.
- 6.2 The quorum for a meeting is more than half of the Committee members.
- 6.3 The Committee Chair will approve the agenda for each meeting. Any Committee member may require business to be included in the agenda, provided the Committee Chair and Committee Secretary have been given prior notice of that business.
- 6.4 The Committee may invite other non-members to attend meetings as it sees fit and consult with other people, or seek any information it considers necessary, to fulfil its responsibilities.

7. SELF-ASSESSMENT

The Committee will review its performance on an annual basis in accordance with the performance assessment approach determined by the Board.

8. OTHER

- 8.1 The Committee should review this Charter and its composition annually, to ensure that these remain consistent with the Board's objectives and responsibilities.
- 8.2 This Charter will be made available from the Group's website (www.aristocrat.com).

Approved by the Board on 30 March 2017.