



## CHARTER OF THE AUDIT COMMITTEE

The Audit Committee (Committee) is established as a committee of the Board of Aristocrat Leisure Limited (Aristocrat). This charter sets out the responsibilities delegated by the Board to the Committee and the Committee's composition, role, responsibilities and operation.

### Role of Committee

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The role of the Committee is to assist the Board in discharging its duties in relation to oversight of:

- financial risk management of Aristocrat and its subsidiaries (the **Group**);
- the integrity of the Group's financial reporting;
- effectiveness of the Group's systems of risk management and internal controls;
- the independence, objectivity and competency of the external and internal auditors; and
- compliance with legal and regulatory (non-gaming) obligations,

and other matters as determined by the Board.

### Size and Composition

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The Committee must consist of at least 3 directors of Aristocrat, all of whom must be non-executive directors and the majority of members of the Committee must be independent.

The Committee membership and Chair of the Committee will be as determined from time to time by the Board.

The Company Secretary will be the secretary of the Committee (**Secretary**) and must attend Committee meetings.

A non-executive director (elect) may be appointed as a member of the Committee, however will be unable to vote until he/she becomes a director.

It is intended that all members of the Committee should have a working familiarity with financial management and the members between them must have the accounting and financial expertise and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively.

### Authority

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The Committee is authorised to perform activities within the scope set out in this charter and to make appropriate recommendations to the Board.

The Committee has unrestricted access to information it considers relevant to its responsibilities. This includes the right to access management and external and internal auditors, and to conduct or authorise investigations.

The Committee is authorised to obtain any independent legal or other professional advice that it considers necessary to execute its functions. As appropriate, the Committee will inform the Chair of the Board, the CEO, the CFO and the Secretary of its decision to authorise such an investigation or obtain such external advice.

### Role and Responsibilities

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The duties and responsibilities of the Committee (and their scope) are as follows:

#### Financial and other periodic corporate reporting

- 1) Review Aristocrat's financial statements for accuracy, for adherence to accounting standards and policies, and to ensure they reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of Aristocrat, as a basis for recommendation to the Board for approval and release to the market.
- 2) Review and make recommendations to the Board in relation to the appropriateness of the accounting policies, judgements and choices adopted by management in preparing the Company's financial reports, including

significant changes in the selection or application of accounting principles.

- 3) Review the Group's corporate and financial reporting and disclosure processes and make recommendations to the Board in relation to the adequacy of those processes. This includes reviewing the process to verify the integrity of any periodic corporate report Aristocrat releases to the market that is not audited or reviewed by the external auditor.
- 4) Review any proposed payment of a dividend to shareholders and make recommendations to the Board.
- 5) Assess new and proposed accounting principles, practices and developments.

#### **External audit**

- 6) Review and make recommendations to the Board in relation to the scope and adequacy of the external audit.
- 7) Review with the external auditor its report regarding significant findings in the conduct of its audit and the adequacy of management's response, and monitor whether any issues are being managed in an appropriate manner.
- 8) Separately from management, discuss with the external auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, significant disagreements with management (if any) and adequacy of management's response.
- 9) Review the performance, independence and objectivity of the external auditor at least annually.
- 10) Review annually and recommend to the Board, the external auditor's terms of engagement (including the audit plan) and other contractual terms, fees and other compensation to be paid to the external auditor.
- 11) Review the procedures for selection and appointment of the external auditor and for the rotation of external audit engagement partners.
- 12) Recommend to the Board the selection and removal of the external auditor, subject to any shareholder approval.
- 13) Review annually the Group's Auditor Independence Policy and review the external auditor's independence in accordance with that Policy.
- 14) Provide advice to the Board as to whether the Committee is satisfied that the provision of non-audit services (if any) is compatible with the general standard of independence, and an

explanation of why those non-audit services do not compromise audit independence.

#### **Internal audit**

- 15) Review the effectiveness, performance, independence and objectivity of the internal audit function, including any co-sourcing arrangements, and whether the internal auditors are adequately resourced.
- 16) Review and approve the Group's Internal Audit Charter annually.
- 17) Review the scope and adequacy of the internal audit program and approve the internal audit program annually.
- 18) Monitor the progress of the internal audit program and implementation of the outcomes of the internal audit program.
- 19) Evaluate management's responsiveness to the internal auditor's finding and recommendations.
- 20) Monitor the independence of the internal audit program from the external auditors and management.
- 21) Review and recommend to the Board the appointment and removal of any co-sourced internal audit service providers, and approve their fees annually.
- 22) Review and approve any co-sourced internal audit service provider to provide non-audit services in accordance with the Group's Auditor Independence Policy.

#### **Risk and internal controls**

- 23) Oversight of financial risks and review and recommend to the Board whether the accounting and financial risk management systems, policies and procedures are adequate and effective.
- 24) Review the adequacy and effectiveness of the internal control framework and systems.

#### **Legal and compliance (non-gaming)**

- 25) In conjunction with the Board, monitor the processes and procedures for ongoing compliance with non-gaming laws and regulations, including in connection with anti-bribery/corruption, privacy and corporate governance.

#### **Other responsibilities**

- 26) Review the adequacy of the Group's insurance programs and policies.
- 27) Monitor the ongoing effectiveness of the Group's Treasury function including compliance with the Group treasury policy.

- 28) Review and approve annually the Group treasury policy and counterparty credit limits and credit rating matrix.
- 29) Oversee and approve the tax strategy and tax governance framework and consider tax risk management issues.
- 30) Receive reports on disclosures made under the Group's Whistleblower programme(s). Review, monitor compliance with, and recommend to the Board for approval any changes to the Group's Whistleblower Policy.
- 31) Review the charter at least every two years and recommend any proposed changes to the Board for approval.
- 32) Conduct a periodic, but at least biennial, evaluation of the Committee's performance and report findings to the Board.
- 33) Any other matter delegated by the Board to the Committee from time to time.

## Administrative Matters

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### Meetings

The Committee will meet at least 4 times annually, or more frequently as necessary. Meetings should correspond with Aristocrat's financial reporting cycle.

Committee meetings may be held or participated in by conference call or similar means, and decisions or recommendations may be made by circular or written resolution. A circular or written resolution signed by all members will be effective as a resolution duly passed at a Committee meeting and may consist of several documents in like form, each signed by one or more members. The expression "written" includes fax or other electronic means.

### Quorum

A quorum will consist of not less than half of the Committee members eligible to vote on a matter.

Should the Chair of the Committee be absent from any meeting of the Committee, the members of the Committee present at that meeting shall appoint one of their number to be Chair of that meeting.

### Attendance

All non-executive directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts. Other non-Committee members, including

members of management and the external auditor may attend meetings of the Committee at the invitation of the Committee chair.

Any member may, and the Secretary must upon request from any member, convene a meeting of the Committee. Notice will be given to every member of the Committee of every Committee meeting. However, there is no minimum notice period and acknowledgement of receipt of notice by all members is not required before the meeting may be validly held.

### Agenda

The Secretary will prepare an agenda for each Committee meeting for review by the Chair of the Committee. Any member may require business to be included on the agenda provided that the Chair of the Committee and Secretary have been given prior notice.

### Minutes

Minutes of meetings of the Committee must be prepared by the Secretary, approved by the Committee Chair in draft and circulated to all members.

The minutes of a Committee meeting will be confirmed at the next Committee meeting and then signed by the Chair of the Committee.

A copy of the minutes of the Committee will also be provided to directors of Aristocrat with Board papers.

### Reporting by the Committee

The Committee, through its Chair, must report to the Board at the earliest possible Board meeting after each meeting of the Committee. Such report may be either written or oral and should include (i) any matters that, in the opinion of the Committee, should be brought to the attention of the Board, (ii) any recommendations requiring the approval of the Board, and (iii) all matters relevant to the Committee's role and responsibilities.

Approved by the Board	1 October 2019
Accountable	Corporate General Counsel & Company Secretary
Contact	Corporate General Counsel & Company Secretary