

For personal use only

Aristocrat Leisure Limited

Notice of 2014 Annual General Meeting and Explanatory Statement

Wednesday, 19 February 2014 at 10.00am (Sydney time)

2014 Annual General Meeting

Dear Shareholder,

On behalf of the Board, I am pleased to invite you to attend the 2014 Annual General Meeting (Meeting) of Aristocrat Leisure Limited (Company) which has been scheduled as follows:

Date: Wednesday, 19 February 2014
Time: 10.00am (Sydney time) with registration available from 9.00am
Location: The Mint, 10 Macquarie Street, Sydney, New South Wales

A map and transportation instructions follow for your information.

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

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

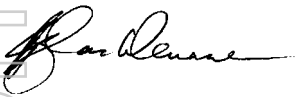
Shareholders unable to attend the Meeting will be able to watch and listen to the business of the Meeting via webcast. Please note that viewing the webcast does not count as attendance at the Meeting. The webcast will be accessible from a link on the Company's website.

If you are unable to attend the Meeting but wish to appoint a proxy, please complete and return the enclosed proxy form so that it is received prior to 10.00am on Monday, 17 February 2014. You can do this online or by returning it to our share registry, Boardroom Pty Limited. Details of how to complete and submit the proxy form are included on the proxy form.

We have also enclosed a form for those who cannot attend the Meeting but would like to submit questions on any shareholder matters that may be relevant to the Meeting. I invite you to submit any questions you might have on this enclosed form and return it with the proxy form. While time restrictions may not permit me to address all the questions submitted, I will endeavour to address as many of the more frequently raised shareholder issues as possible during the course of the Meeting.

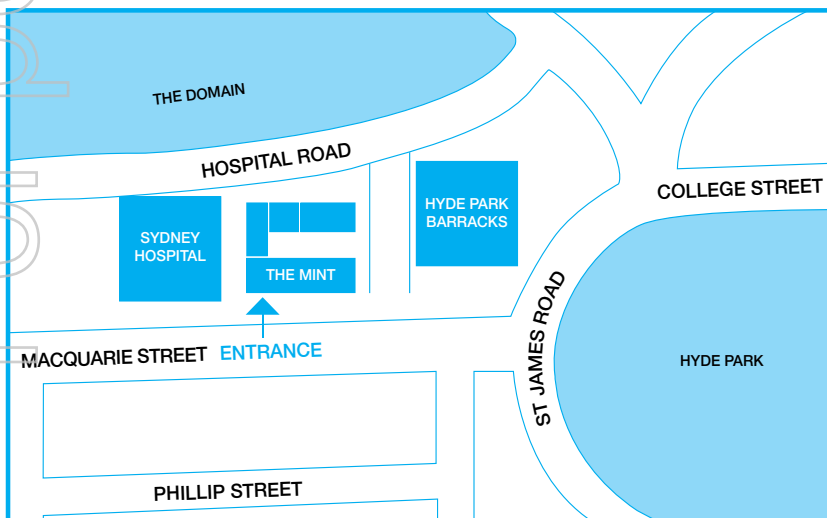
I look forward to seeing you at the Annual General Meeting on Wednesday, 19 February 2014.

Yours sincerely



Dr Ian Blackburne
Chairman

The Mint – Map and Transport



Parking

There is no public parking at The Mint.

The Domain car park (Sir John Young Crescent, Woolloomooloo, entry via St Marys Road) is a 10 minute walk from The Mint. Paid parking is also available at Sydney Hospital (enter via Hospital Road).

Metered street parking in the Royal Botanic Gardens and Hyde Park surrounds is also available.

Public transport

The Mint is less than a five minute walk from St James Station (City Circle Line) or it is a 10 minute walk from Martin Place Station (Eastern Suburbs Line).

For more specific information about public transport routes and timetables, contact NSW Transport on 131 500 or visit 131500.com.au

Notice of 2014 Annual General Meeting

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

Date: Wednesday, 19 February 2014

Time: 10.00am (Sydney time)

Location: The Mint
10 Macquarie Street
Sydney NSW 2000

Shareholders unable to attend the Meeting will be able to watch and listen to the business of the Meeting via webcast. Viewing the webcast does not count as attendance at the Meeting. For further information about the webcast, please visit the Company's website, www.aristocratgaming.com

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

Business of the Meeting

Ordinary Business

1. 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 2013.

2. Resolution 1: Appointment of Director – Ms K Conlon

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

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

3. Resolution 2: Re-election of Director – Mr DCP Banks

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

"That Mr DCP Banks who, in accordance with clause 13.3 of the Constitution of the Company, retires from office by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

4. Resolution 3: Re-election of Director – Mr RA Davis

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

"That Mr RA Davis who, in accordance with clause 13.3 of the Constitution of the Company, retires from office by rotation and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

5. Resolution 4: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director

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

"That Mr JR Odell, Chief Executive Officer and Managing Director, be granted a maximum of 435,000 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 Rules 7.1 and 10.14 and sections 200B and 200E of the Corporations Act 2001 (Cth)."

Voting exclusion: As required by the ASX Listing Rules, the Company will disregard any votes cast on this resolution by (i) Mr JR Odell and any Director of the Company (except anyone who is ineligible to participate in any employee incentive scheme in relation to the Company) and by any of their associates and (ii) anyone who might obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the resolution is passed, and their associates.

In addition, the Company will disregard votes cast on this resolution by a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report for the year ended 30 September 2013) or a closely related party of such a member, other than as a proxy for a person permitted to vote who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy and directed the proxy to vote as the proxy decides.

6. Resolution 5: 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 2013 be adopted."

Voting exclusion: The Company will disregard votes cast on this resolution by a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a closely related party of such a member, other than as a proxy for a person permitted to vote who has either:

- directed the proxy how to vote; or
- appointed the person chairing the Meeting as proxy and directed the proxy to vote as the proxy decides.

Special Business

7. Resolution 6: Renewal of proportional takeover approval provisions

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

"That the Company renew 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."

By order of the Board.



A Korsanos
Company Secretary
6 January 2014

Notice of 2014 Annual General Meeting (continued)

Notes

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

Determination of entitlement to attend and vote

For the purposes of determining an entitlement to vote at the Meeting, shares will be taken to be held by the persons who are registered as shareholders at 7.00pm (Sydney time) on Monday, 17 February 2014.

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, under seal or such other means as is contemplated by the *Corporations Act 2001* (Cth) (the Act) and the shareholder's constitution. A proxy need not be a shareholder of the Company and may be an individual or body corporate.

A proxy has the same rights as a shareholder to speak at the Meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll. Where a proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on a show of hands on that resolution.

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, whether the vote is given in person or by proxy or by representative or by attorney.

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

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

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

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

An instrument appointing a proxy (accompanied by the power of attorney or other authority (if any) under which it is signed) must be lodged as follows by no later than 10.00am (Sydney time) on Monday, 17 February 2014 in order to be effective:

- online, by following the instructions on the proxy form accompanying this Notice of Meeting;
- by mail, addressed to Aristocrat Leisure Limited, C/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001, Australia;
- by fax to the share registry, Boardroom Pty Limited, fax (61) 2 9290 9655; or
- in person to the share registry, Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney, NSW 2000, Australia.

Voting exclusion note

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions to vote on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. **Please note that the Chairman intends to cast all undirected proxies in favour of the resolutions.**

Corporate representatives

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

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

Voting

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

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

Asking questions at the Meeting

The Meeting is intended to give shareholders the opportunity to hear the Chairman and the Chief Executive Officer and Managing Director talk about the financial year that has just passed and to give some insight into the Company's prospects for the financial year ahead. The Company welcomes shareholders' questions at the Meeting. However, in the interests of those present, questions or comments should be confined to matters directly relating to the management of the Company or the resolutions before the Meeting and should be relevant to shareholders as a whole. Shareholders are also invited to ask questions in advance of the Meeting. They may do so by filling out the 'Areas of Interest' form that accompanies this Notice of Meeting and lodging it in accordance with the instructions set out on the form.

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.

Ordinary Business

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 2013 (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 Annual Report. Shareholders who elected to receive a printed copy of the Annual Report should have received the Annual Report with this Notice of Meeting. The Annual Report is available from the Company website, www.aristocratgaming.com

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

Resolution 1: Appointment of Director – Ms K Conlon

Brief biographical details of Ms K Conlon are as follows:

Age: 50 years

Occupation: Company Director

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

Ms Conlon brings over 20 years' experience 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 a Director of CSR Limited, REA Group Limited and Lynas Corporation Limited. She is President of the NSW Council and a National Board member of the Australian Institute of Company Directors as well as a member of Chief Executive Women.

Ms Conlon was nominated to be a Director (Elect) of the Company from 1 January 2014, subject to the receipt of all relevant regulatory pre-approvals. If Ms Conlon's appointment is approved by shareholders at the Meeting, it will only be effective on and from the time all relevant regulatory pre-approvals are received.

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

The Board of Directors supports the appointment of Ms Conlon as a Director of the Company and recommends that shareholders vote in favour of Resolution 1.

Resolution 2: Re-election of Director – Mr DCP Banks

Brief biographical details of Mr DCP Banks are as follows:

Age: 62 years

Occupation: Company Director

Academic and professional qualifications: Bachelor of Business, Monash University.

Mr Banks was nominated to be elected as a Director of the Company in October 2010, and appointed effective July 2011. He is a member of the Regulatory and Compliance Committee and the Audit Committee.

Mr Banks has over 25 years' experience in the industrial, entertainment and gaming industries in financial, operating and strategic planning roles, including as Chief Executive (Casinos Division) of Tabcorp Holdings Limited and as Chief Executive Officer of Star City Holdings Limited. Mr Banks was most recently Group Chief Operating Officer of Galaxy Entertainment Group based in Macau.

Mr Banks is one of a small number of executives in Australia with deep gaming experience. He has been the President of the Australasian Casinos Association and a Director of the Australian Gaming Council.

The Board of Directors supports the re-election of Mr Banks as a Director of the Company and recommends that shareholders vote in favour of Resolution 2. Mr Banks did not vote in respect of the Board's recommendation.

Resolution 3: Re-election of Director – Mr RA Davis

Brief biographical details of Mr RA Davis are as follows:

Age: 62 years

Occupation: Company Director

Academic and professional qualifications: Bachelor of Economics (Honours), University of Sydney, Master of Philosophy, University of Oxford, United Kingdom.

Mr Davis has been a Director of the Company since 20 June 2005. Mr Davis chairs the Audit Committee and is a member of the Human Resources and Remuneration Committee.

Mr Davis is Consulting Director – Investment Banking at Rothschild Australia Limited, Chairman of Bank of Queensland Limited and a Director of Trust Company Limited, Ardent Leisure Limited, and Argo Investments Limited. Mr Davis has been a senior executive at Citicorp and CitiGroup Inc in the United States and Japan and a senior executive at ANZ Banking Group Limited.

The Board of Directors supports the re-election of Mr Davis as a Director of the Company and recommends that shareholders vote in favour of Resolution 3. Mr Davis abstained from voting in respect of the Board's recommendation.

Resolution 4: Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director

Shareholder approval for the grant of a maximum of 435,000 Performance Share Rights (PSRs) to Mr Odell under the Company's Long Term Incentive Program (LTIP) is sought for all purposes, including for the following purposes:

- (a) Under ASX Listing Rule 10.14, the acquisition of securities by a director under an employee incentive scheme requires shareholder approval. Shareholder approval is therefore sought for the issue of PSRs and shares upon vesting of PSRs by Mr Odell.
- (b) ASX Listing Rule 7.1 places certain restrictions on the extent to which a listed company may grant securities. The effect is that shareholder approval is required before the Company may issue securities representing more than 15% of the capital of the Company within a 12 month period. Shareholder approval is being sought so that a maximum of 435,000 PSRs granted to Mr Odell may be disregarded for the purposes of determining the number of securities which the Company may issue within a 12 month period.
- (c) Shareholder approval is sought under sections 200B and 200E of the Act for any payment that may be made in the event of cessation of Mr Odell's employment in certain circumstances before the PSRs vest. Changes to the Act mean that any such payment will be treated as a termination benefit.

Explanatory Statement (continued)

Overview of the Long Term Incentive Program (LTIP)

The Company's policy on senior executive remuneration is designed to remunerate senior executives for increasing shareholder value and for achieving financial targets and business strategies. It is also set to attract, retain and motivate appropriately qualified and experienced executives. Accordingly, the Board considers it desirable for remuneration packages of senior executives (including the Chief Executive Officer and Managing Director) to include both a fixed component and an at-risk or performance related component (governing both short-term and long-term incentives). The Board views the at-risk component as an essential driver of a high performance culture.

The LTIP provides for eligible employees to be offered a conditional opportunity for fully paid ordinary shares in the Company through the grant of PSRs, such that shares may be allocated to them, subject to meeting certain performance conditions within a set performance period.

Grants under the LTIP will be tested at the end of the applicable performance period. No retesting will occur. If the relevant performance conditions are satisfied at the end of the performance period then PSRs will vest. Each PSR which vests will be converted into one fully paid ordinary share. No amounts will be payable by the participants upon vesting of the PSRs. If the relevant performance conditions are not satisfied at the end of the performance period then the PSRs will lapse and be forfeited. Shares allocated on vesting of the PSRs will carry full dividend and voting rights from the date of allocation. Shares allocated under the LTIP may be forfeited by the participant but only in limited circumstances, such as where the participant has acted fraudulently or dishonestly.

Specific terms of the grant

The Board has determined Mr Odell's conditional long-term incentive opportunity for the 12 months to 30 September 2014 at the value of \$1,000,000 (**LTI Opportunity**), representing 24% of Mr Odell's total target reward for the 12 months to 30 September 2014.

In determining the LTI Opportunity, the Board took into account the nature of the position, the context of the current market, the function and purpose of the long-term component of the Company's remuneration strategy, Mr Odell's individual performance and other relevant information provided by external consultants.

The actual number of PSRs to be granted to Mr Odell was determined by the Board taking into account the LTI Opportunity and the estimated fair value of the rights at the start of the performance period (being 1 October 2013), which was \$2.30 (**Estimated Fair Value**).

The Estimated Fair Value is based on an accounting valuation performed by Ernst & Young. The Estimated Fair Value will not be equal to the market value of a share at the commencement of the performance period as PSRs are contingent rights to shares in the future. The Estimated Fair Value at the commencement of a performance period is influenced by the Company's share price, the volatility of the underlying shares, the risk-free rate of return, the expected dividend yield, the time to maturity and the likelihood that vesting conditions will be met.

Performance target

The Board has determined that the following performance metrics should be applied to the 2014 grant:

- 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; and
- growth in fully diluted earnings per share from operating activities (**EPS**) of the Company compared to targets set by the Board (**Relevant EPS**) in relation to seventy percent (70%) of the PSRs granted.

At the appropriate time, Relative TSR and Relevant EPS will be measured to determine the proposed vesting percentages, which will then be considered and determined by Board resolution.

The Board selected Relative TSR as a performance measure on the basis that it:

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

The Board selected Relevant EPS as a performance measure 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.

The Board considered that a 30/70 weighting was appropriate on the basis that Relevant EPS is more reflective of true company performance. As Aristocrat continues to increase its presence in global markets, it is increasingly relevant to look beyond ASX listed companies for meaningful performance comparisons.

Relative TSR performance condition (30% of total PSRs)

Relative TSR performance will be assessed over a three year period, which will commence on 1 October 2013 until 30 September 2016.

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 performance 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 performance condition is represented in the following table:

Company TSR ranking against the Comparator Group	% of vesting of PSRs
Below the median ranking	0%
At the median ranking	50%
Above the median ranking but below the 75th percentile	Between 50% and 100%, increasing on a straight line basis
At or above the 75th percentile	100%

Relevant EPS performance condition (70% of total PSRs)

The Relevant EPS performance condition is measured by comparing the Company's compound annual EPS growth rate (**CAGR**) over a three year period (1 October 2013 to 30 September 2016) 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.

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 will be disclosed in the Remuneration Report published in respect of the year in which PSR vesting is tested.

Explanatory Statement (continued)

As the Relevant EPS component is determined as the compound EPS growth over a three year 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 compound annual EPS growth rate and the percentage of the PSRs which will vest pursuant to the Relevant EPS performance condition is represented in the following table:

Company's EPS performance	% of vesting of PSRs
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
Greater than the maximum EPS growth threshold	100%

Summary of the LTIP Rules

The Board is responsible for administering the LTIP in accordance with the LTIP Rules and the terms and conditions of the specific grants to participants in the LTIP. The operation of the LTIP Rules is subject to compliance with the ASX Listing Rules, Corporations Act and any other applicable laws.

If a participant in the LTIP ceases employment with the Company before the performance conditions are tested, then any PSRs will lapse and be forfeited. If the cessation is due to death or redundancy, or where the Board otherwise consents, PSRs may vest at the Board's discretion. Where a participant acts fraudulently, dishonestly, or is in the Board's opinion, in breach of his or her obligations to the Company, then any unvested PSRs will lapse and be forfeited.

The Directors have discretion to determine that the PSRs will vest in the event of a change of control, subject to pro-rata performance up to the relevant date.

A participant may not sell, transfer, mortgage or otherwise deal with or encumber any PSRs.

PSRs do not carry any voting rights and participants are not entitled to dividends until PSRs have vested and converted into ordinary shares.

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.

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.

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. This decision will depend on factors such as dilution and cost to the Company.

Upon vesting of the PSRs, shares received by participants will rank equally with ordinary shares currently on issue.

Disposal of shares by the participant once released from the LTIP will be subject to the Company's share trading policy.

Disclosures made for the purposes of Listing Rules 7.1 and 10.15

(a) As approved by shareholders at the 2013 Annual General Meeting, 766,000 PSRs were allocated at no cost to Mr Odell during 2013. The number of PSRs allocated during 2013 was determined by the Board taking into account Mr Odell's long-term incentive opportunity for the nine months to 30 September 2013, being \$1,056,470 and the 2013 Fair Value of \$1.38.

- (b) The maximum number of PSRs that can be awarded to Mr Odell under this approval is 435,000. Subject to achievement of performance conditions, this means that the maximum number of fully paid ordinary shares which can be awarded to Mr Odell on vesting of the approved PSRs is 435,000.
- (c) The price payable on the issue or exercise of each PSR is nil, so no funds will be raised.
- (d) Mr Odell is the only Director entitled to participate in the LTIP.
- (e) There is no loan proposed in relation to the proposed award of PSRs to Mr Odell.
- (f) The PSRs that are awarded to Mr Odell following shareholder approval are intended to be allotted and issued no later than three months after the Meeting.
- (g) The terms of the PSRs are as described above.

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

Disclosures made for the purposes of section 200E of the Corporations Act

As noted above, the Board has discretion to determine whether to allow Mr Odell to retain PSRs in some circumstances on termination or retirement. It is not currently possible to ascertain the value of any such benefit which may be given to Mr Odell, as it will depend on a number of factors, including the number of PSRs which remain on foot and which Mr Odell is permitted to retain, the period of time to maturity of the PSRs, the likelihood that vesting conditions will be met, the Company's share price and volatility in the Company's share price.

In the Non-Executive Directors' view, it is in the best interest of shareholders to approve PSR grants to Mr Odell because they appropriately align Mr Odell's remuneration with shareholder returns due to the significant performance hurdles the Company must achieve for the long-term incentives to vest.

The Board of Directors (with Mr Odell abstaining) recommend that shareholders vote in favour of Resolution 4.

Resolution 5: Remuneration Report

Section 300A of the Act requires the disclosure, in a dedicated part of the Directors' Report under the heading 'Remuneration Report', of the remuneration paid to the key management personnel of a listed company. The Act, by reference to the Australian accounting standards, defines 'key management personnel' as persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Remuneration Report for the year ended 30 September 2013 is set out in the Directors' Report which forms part of the Annual Report. It is also available on the Company's website, www.aristocratgaming.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 Key Management Personnel (KMP), including:

- an explanation of the Board's policies in relation to the objectives and structure of remuneration;
- an explanation of the transitional arrangements implemented as a result of the Company's change of financial year-end to 30 September;
- a discussion of the relationship between the policies and the Company's performance;
- a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- the remuneration details for each Director and for each of the KMP of the Company.

Explanatory Statement (continued)

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

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

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must stand for re-election.

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

Noting that each Director has a personal interest in his or her own remuneration from the Company as described in the Remuneration Report, the Board of Directors recommends that shareholders vote in favour of Resolution 5.

Special Business

Resolution 6: Renewal of proportional takeover approval provisions

A proportional takeover offer is a takeover offer where the offer made to each member of a company is only for a proportion of that member's shares. The Constitution currently includes proportional takeover approval provisions (clause 26). These came into effect on 3 May 2011 when the current constitution was adopted by shareholders.

Under the *Corporations Act 2001* (Cth) (the Act), proportional takeover approval provisions expire three years from adoption or renewal and may then be renewed. Accordingly, clause 26 of the Company's Constitution will cease to operate from 3 May 2014 unless it is renewed prior to that time. The Board is seeking shareholder approval to renew the proportional takeover approval provisions in the Constitution. The proposed proportional takeover provisions are identical to those adopted in 2011.

Section 648G(4) of the Act provides that a company may renew its proportional takeover approval provisions "in the same manner as that in which the company could alter its constitution to insert proportional takeover approval provisions". Accordingly, this resolution is a 'special resolution'. A special resolution in relation to the Company means that the members have been given at least 28 days' prior notice of the resolution, and that the resolution has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

The Act requires that the following information is disclosed in this notice:

Effect

If a takeover offer is made under a proportional takeover bid, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on more than 14 days before the last day of the bid period (or such later date as is approved by the Australian Securities and Investments Commission).

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 Act and the Constitution.

The Directors breach the 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.

The proportional takeover approval provisions set out above do not apply to full takeover offers and will only apply until three years after the date of renewal. The provisions may be renewed again, but only by a special resolution of shareholders.

Reasons

A proportional takeover bid involves an offer for only a proportion of each member's securities. This may allow control of the Company to pass without shareholders having the chance to sell all their securities to the bidder. This may assist a bidder to take control of the Company without payment of an adequate control premium. The approval provisions will allow shareholders to decide collectively if a proportional offer is acceptable in principle and will assist in ensuring that any partial offer is appropriately priced. At the date this notice was prepared, no Director is aware of a proposal by a person to acquire (or to increase) a substantial interest in the Company.

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. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the members, respectively, during this period.

The Directors consider that the takeover approval provisions have no potential advantages or disadvantages for them. They remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

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 (this may help ensure that any partial offer is adequately priced); and
- knowing the view of the majority of shareholders may help each individual shareholder 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 some (but not all) of their securities at a premium; and
- the chance of a proportional takeover being successful may be reduced.

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.

The Board recommends that shareholders vote in favour of Resolution 6.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEDT on Monday, 17 February 2014.**

🖥 TO VOTE ONLINE

STEP 1: VISIT www.boardroomlimited.com.au/vote/aristocratagm2014

STEP 2: Enter your holding/investment type:

STEP 3: Enter your Reference Number:

STEP 4: Enter your Voting Access Code:

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

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

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am AEDT on Monday, 17 February 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

🖥 **Online** www.boardroomlimited.com.au/vote/aristocratagm2014

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

Appoint the **Chairman of the Meeting (mark box)**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **The Mint, 10 Macquarie Street, Sydney NSW 2000 on Wednesday, 19 February 2014 at 10:00am AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Important for Resolutions 4 & 5 – If the Chairman of the Meeting is appointed as your proxy or may be appointed by default.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of Resolutions 4 & 5, please mark this box.

By marking this box, you acknowledge that you direct the Chairman of the Meeting to vote in accordance with his voting intentions on Resolutions 4 & 5 as set out below and in the Notice of Annual General Meeting (except where you have indicated a different voting intention in Step 2 below). If you do not mark this box, and you have not directed your proxy how to vote Resolutions 4 & 5, the Chairman of the Meeting will not cast your votes on the Resolutions 4 & 5 (as applicable) and your votes will not be counted in calculating the required majority if a poll is called.

By marking this box, I/we direct the Chairman of the Meeting to vote in accordance with his voting intentions on Resolution 5 as set out below (except where I/we have indicated a different voting intention in Step 2 below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolutions 4 & 5 (as applicable) are connected directly or indirectly with the remuneration of a member of the key management personnel of the Aristocrat Group.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS
 * If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

ORDINARY RESOLUTION

		For	Against	Abstain*
Resolution 1	Appointment of Director – Ms K Conlon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Mr DCP Banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Mr RA Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL RESOLUTION

Resolution 6	Renewal of proportional takeover approval provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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STEP 3 SIGNATURE OF SHAREHOLDERS
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary