

Gaming wheels rolling happily

Company/ASX Code	Aristocrat Leisure Ltd/ALL
AGM time and date	11am on 22 February 2024
Location	Live at 11am at ALL's HQ at Pinnacle Park, North Ryde and online
Registry	Boardroom Ltd
Type of meeting	Hybrid
Monitor	Carol Limmer
Pre-AGM Meeting	Yes, with Board Director & Chair of People & Culture Committee and Member of Audit Committee, Kathleen Conlon, and Company Secretary, Kristy Jo

Monitor Shareholding: The individual involved in the preparation of this voting intention has shareholding in this company.

1. How we intend to vote

2 (a)	Re-election of Neil Chatfield as a Director	For
2 (b)	Election of Jennifer Aument as a Director - resolution withdrawn	
3	Approval of Grant of Performance Share Rights to the CEO & MD under LTI Program	For
4	Approval of NEDs' Rights Plan	For
5	Adoption of Remuneration Report	For

2. Summary of Issues and Voting Intentions for AGM

The AGM will be held as a hybrid meeting.

Even though most of the business is derived from overseas, particularly America, it has been confirmed that Aristocrat (ALL) has no plans to de-list from ASX in Australia.

It is a global entertainment and content created company powered by technology to deliver industry-leading casino games and is a top-tier mobile games publisher, with over 7,800 employees located on over 20 locations. ALL's gaming products are available in over 100 countries and the company is represented in about 325 licensed jurisdictions.

We have been informed that the Board Chair will be prepared for any activist activity at the AGM. ALL's long-term incentive (LTI) arrangements include a total shareholder return (TSR) Vesting Scale which pays 50% at median performance and has a three year only performance period. ALL

regards itself as a technology company and believes that the product lead times and its position in a very much global, and especially North American (USA market for talent) differentiates it in terms of remuneration/recognition of their employees.

3. Matters Considered

ALL's Annual Report and Notice of Meeting are very comprehensive. As mentioned above, ALL regards itself as a technology company with its main activities being design, development and distribution of gaming content, platforms and systems. This includes electronic gaming machines, casino management systems and, in recent years, digital social games.

ALL is quite a powerful company with a high profile and well recognised titles. Being dominant in the gaming machine market, ALL is very conscious of the need for continued investment in technology and talent to remain competitive in the global market and to differentiate itself in that market.

They have a well explained strategy. ALL continues to be focussed on likely acquisition paths and so looks for new games, studios and platforms.

Governance and Culture

There are a large number of jurisdictions involved in ALL's operation and, with the strict requirements from various regulators, ALL knows the importance of governance, risk and compliance management. This is seen as important by ALL in attraction and retention of key people in the global environment in which it operates. There is good employment assistance available (eg the way they look after employees in Ukraine and Israel) and to provide access to training and personal development for its people. ALL has good employee engagement with the Employment Engagement rating in the top quartile of technology companies.

Strong compliance and probity awareness is claimed to be embedded in all employees.

ALL has comprehensively set out Corporate Governance Statement and quite detailed Disclosures in relation to Corporate Governance Principles and Recommendations. Diversity and Board Skills & Experience.

They continue to update content on issues such as responsible gaming and consideration of the increasing level by stakeholders in areas such as energy and environment. It seems to be continually focussed on all parts of ESG.

ALL has been the first organisation in Australia to trial cashless gaming machines and has stated that it will be continually working with regulators/governments.

There is a rigorous approach to political donations.

Female non-executive directors (NEDs) comprise 44% of the Board of 8 Directors which has a good overall mix of skills and experience. There is a policy regarding NEDs maintaining 'skin in the game' with their minimum level of shareholdings and this also applies to Senior Executives.

The Annual Report well details its main risks with descriptions on each and the management/mitigation strategies applied. These are revised on an annual basis.

Key Board and Senior Management Changes

Last year they increased the number of NED Board members from 6 to 7 with appointment of Bill Lance who is a prominent American Indian from the Chickasaw Nation in USA. This year Jennifer Aument was appointed and proposed for election at the AGM, but resigned a week before the AGM was held on taking a CEO role in the US.

Sally Denby was promoted from Deputy Chief Financial Officer to Chief Financial Officer in 2023. Tracey Elkerton, Chief Compliance Officer, was elevated to the Executive Steering Committee in February 2023. After 4 years, Michael Lang, CEO of Pixel Ltd departed in September 2023 but remained available until mid-December 2023.

Accounts and reports

Financial performance

Net profit after tax (NPAT) and underlying profit after tax (UPAT) has increased since the previous year as have share price, fully franked dividends and earning per share (EPS). All up, performance in past 12 months has been strong.

See also Table below. (As at FYE)	2023	2022	2021	2020	2019
NPAT (\$m)	1,454	948.5	820.0	357.1	752.8
UPAT (\$m)	1,451.7	1046.9	919.1	476.6	894.4
Share price (\$)	44.17	33.8	45.25	29.85	30.60
Dividend (cents)	64.0	52.0	41.0	56.0	174
Simple TSR (%)	33	-30	58	-2	10
EPS (cents)	190.5	150.2	120.0	56.0	118.0
CEO total remuneration, actual (\$m)	9.16	7.1	7.53	4.46	5.33

Note – The CEO, some other KMP and other employees are based offshore (mainly USA) where remuneration practices may be different.

Election or Re-Election of Directors

Item 2 (a) Re-Election of Neil Chatfield as a Director - For

Mr Chatfield was nominated as a Director in December 2017, appointed effective February 2018 and was elected at 2018 AGM. He became Chairman in February 2019.

The ALL Board considers that he is an independent Director. He is academically well qualified, an experienced and Executive and NED (more than 40 years' experience in global business across diverse industries. Mr Chatfield is currently NED Chairman of Costa Group Holdings Ltd and was previously NED Chairman of Virgin Australia Holdings Ltd and Seek Ltd and a NED of Transurban Group, Recall Holdings Ltd and Iron Mountain Inc.

He is a Member of the People & Culture Committee, the Audit Committee and Regulatory & Compliance Committee.

He holds 22,876 shares in the company as at 30 September 2023.

ASA intends to support his re-election.

Item 2 (b) Election of Jennifer Aument as a Director - Resolution withdrawn

Ms Aument was nominated to be a Director (Elect) from 11 April 2023, subject to receipt of relevant regulatory pre-approval. This pre-regulatory approval has been received and her appointment as a NED was confirmed on 1 August 2023, subject to approval at 2024 AGM. She has resigned on taking a full-time CEO role in the transport sector.

The ALL Board considers that she is an independent Director. She is academically well qualified. Also, appropriate checks into her background and experience did not reveal any information of concern.

Ms Aument has served as a Senior Executive in large, publicly traded companies listed in USA and Australia that operate in global and regulated environment. She was Global Chief Executive for Transportation for AECOM, President & CEO of Transurban North American business, and served on Board of Commissioners of one of the largest shipping enterprises in USA. She brings understanding of complexity of global supply chains and delivery of major infrastructure projects, as well as strong digital technology, government relations and public affairs capabilities and experience. She brings deep experience of managing professional teams across multiple geographies.

Ms Aument is a NED for private companies in the infrastructure space, serves on Boards of major Not-For- Profits and is a visiting professor and advisory member of Cornell University.

Item 3 Approval of Grant of Performance Share Rights (PSRs) to the CEO & MD under LTI Program - For

For FY 2024 the remuneration arrangements for the CEO & MD, Trevor Croker, are Fixed USD 1.44 m, STI (at target) USD 1.62m and LTI (at target and Maximum) USD3.65m ie Total Target Remuneration of USD 6.71m. See also the remuneration framework in Appendix.

ALL continually reviews Mr Croker's remuneration arrangements to ensure that they are globally competitive and effectively incentivise to deliver growth strategy and drive sustainable financial performance. This is seen as in the interests of shareholders. As a global organization LTIP is focused on attraction and retention and motivational for executives in the markets in which ALL operate and compete for talent. Equity based LTI arrangements are regarded as important for alignment between returns to shareholders and rewards for CEO. Approval is being sought for 137,871 PSRs to be granted. Where possible the shares will be purchased on market. PSRs will be granted within 3 years of AGM approval. LTI opportunity represents 54% of his total target reward. Face value using the valuation method which is in line with ASA preferred arrangements is USD 6,71 (AUD 10.4).

There are 3 Performance hurdles viz TSR 30%, EPS 30% and Individual Performance (referred to as 'OKR') 40%. OKR is based on a balanced scorecards approach – achieving or outperforming against objectives and key result areas over entire course of 3 year performance period i.e not achieving in any 1 year period results in all PSRs under that hurdle not vesting. With TSR hurdle 50% vesting occurs at Median performance – under ASA generally preferred approach this could be more rigorous. Also, Performance Hurdle is 3 years only. However, Mr Croker is USA based and remuneration arrangements are somewhat different to Australian conditions.

2020 LTI PSRs recently vested at 94.8%

Mr Croker has 'skin in the game' with his ALL Shares.

ASA intends to vote in favour of the PSR Grant.

Item 4 Approval of NEDs' Rights Plan - For

Approval is being sought for the grant of share rights under this Plan during Plan years FY 2025 to FY 2027. This Plan gives NEDs the opportunity to salary sacrifice a portion of their fee into share rights and to be allocated ALL shares on vesting of those Rights. Previous approval was obtained in 2021 and the arrangements have not changed since then. The Plan operates to encourage and facilitate share ownership by NEDs. The Company does have a policy for NEDs to have minimum level of company shareholding i.e 'skin in the game'.

The current intention is for ALL to purchase shares on- market.

ASA intends to vote in favour of NEDs' Rights Plan.

Item 5 Adoption of Remuneration Report – For

Last year ASA voted FOR approval of Remuneration Report.

ALL's remuneration arrangements are comprehensively set out in the Notice of Meeting and Annual Report which has a covering letter from the People & Culture Committee Chair. The letter mentions ALL's strong performance for the year and includes performance highlights. ALL also has good employee engagement results.

STI outcomes were between 104% and 108% STI target awards with the CEO's being 110%.

LTI commentary is covered under Item 3.

ALL does have-

- Retrospective disclosure of the actual targets and actual performance against those targets.
- Disclosure on methodologies relating to target setting, including how hurdles are set to ensure challenging stretch targets.
- Clawback provisions.
- 50% deferral into equity on STI payments, half for 1 year and half for 2 years.

ALL has informed ASA representative that their remuneration arrangements are not as attractive in terms of structure and quantum as USA generally and, ALL is certainly global in spread and most key talent is USA based.

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Appendix 1

Remuneration framework detail

CEO Rem. Framework for FY24	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	2.2	21%	2.2	17%
STI - Cash	1.25	12%	2.5	19%
STI - Equity	1.25	12%	2.5	19%
LTI* Performance Rights	5.7	55%	5.7	44%
Total	10.4	100%	12.9	100%

* Note: The figures in the Annual Report and NOM are in USD. These have been converted to approx. AUD.