



AUDIT COMMITTEE CHARTER

AUGUST 2011

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1. Introduction

- 1.1 The Audit Committee (Committee) is established as a committee of the Board of Aristocrat Leisure Limited (Company) on the terms set out in this charter and in accordance with the Board's charter and the Company's Constitution.

2. Purpose and objectives

- 2.1 The purpose of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities relating to the Aristocrat Leisure Limited group of companies' (Group):
- financial reporting;
 - system of internal control and management of material business risks;
 - internal and external audit functions; and
 - process for monitoring compliance with relevant laws and regulations and its own code of business conduct.
- 2.2 Specifically, the Committee's role is to report to the Board and provide appropriate advice and recommendations on matters relevant to this charter in order to facilitate decision making by the Board.

3. Composition

- 3.1 The Board shall determine the composition of the Committee. The Committee shall consist of at least three (3) independent non-executive directors. Independence is given the same meaning as in the Board charter.
- 3.2 A non-executive director (elect) may be appointed as a member of the Committee however will be unable to vote on any matter considered by the Committee.
- 3.3 The Board shall appoint the Chair of the Committee who must be an independent non-executive director. Subject to clause 3.4, in the absence of the Committee Chair, the members shall elect one of their members as Chair for that meeting.
- 3.4 The Chair of the Board should not be the Committee Chair.
- 3.5 The Managing Director & Chief Executive Officer (CEO), the Chief Financial Officer and other members of the senior management team as requested by the Committee Chair, should attend all Committee meetings. The Committee Chair may invite the external and internal auditors (as appropriate) to attend all or part of the meeting.
- 3.6 The Manager, Company Secretariat will serve as the Committee Secretary. If this person is unable to attend a Committee meeting, an appropriate member of the Company Secretariat team will attend in the capacity as Committee Secretary.

4. Committee meetings

- 4.1 The Committee will hold at least four (4) meetings per year. Meetings should correspond with the Group's financial reporting cycle.
- 4.2 The quorum for a meeting is three (3) Committee members.
- 4.3 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.
- 4.4 The Committee will meet at least once annually with the external auditors, in the absence of management, and on any occasion during the year as requested by either the Committee or the external auditors.
- 4.5 The Committee Secretary will circulate the minutes of the meeting of the Committee to all members of the Committee for comment and change before being signed by the Committee Chair.
- 4.6 The minutes of Committee meetings will be circulated to the Board with the Board papers for the next Board meeting, and be tabled at the Board meeting along with any recommendations of the Committee.

5. Duties of the Committee

The Committee should undertake the following functions and, as appropriate, advise or make recommendations to the Board:

Internal Controls and Risk Management

- 5.1 Evaluate whether management is setting the appropriate control culture by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities.
- 5.2 Review the adequacy of the security of computer systems and applications, and the contingency plans for processing financial information in the event of a systems breakdown.
- 5.3 Evaluate the overall effectiveness of the internal control and risk management frameworks and consider whether internal control recommendations made by internal and external auditors have been implemented by management within an appropriate timeframe.

Financial Reporting

- 5.4 Evaluate the adequacy and effectiveness of the Group's administrative, operating and accounting policies through active communication with management, internal auditors and external auditors.
- 5.5 Evaluate and monitor the Group's monthly management and operational reporting.
- 5.6 Require reports from management, the internal auditors and external auditors on any significant proposed regulatory, accounting or reporting issue, to assess the potential impact upon the Group's financial reporting process.
- 5.7 Evaluate the adequacy of the Group's management information and accounting control system by reviewing written reports from the internal and external auditors, and monitor management's responses and actions to correct any noted deficiencies.

External Reporting

- 5.8 Review all financial reports and any correspondence regarding the Group's financial reporting or related matters prior to their public release. Review significant accounting and reporting issues, including recent professional and regulatory pronouncements.

- 5.9 Gain an understanding of the current areas of greatest financial risk and how management is managing these effectively; review significant transactions outside the Group's normal business.
- 5.10 Meet with management and the external auditors to review the financial statements, the key accounting policies and judgements, and the results of the audit. Ensure that significant adjustments, unadjusted differences, disagreements with management and critical accounting policies and practice are discussed with the external auditor.

External Audit

- 5.11 Establish and review annually the Group's policy on maintaining audit independence.
- 5.12 Recommend to the Board annually or, as otherwise determined by the Board, the appointment and removal of external auditors and the level of their fees.
- 5.13 At least four (4) times per year assess the external auditor's independence in accordance with the Group's policy on maintaining audit independence.
- 5.14 Discuss and agree with the external auditor, before the audit/review commences, the nature and scope of the audit/review procedures, and ensure co-ordination with internal audit.
- 5.15 Review and permit the external auditor to provide non-audit services in accordance with the Group's policy on maintaining audit independence.
- 5.16 Discuss problems and reservations arising before the interim and final results, and any matters the external auditor may wish to discuss.
- 5.17 Review reports prepared by external audit and management's response; review all representation letters signed by management and be satisfied that the information provided is complete and appropriate.
- 5.18 Require the external auditors to confirm, in writing, that they have complied with all professional and regulatory requirements relating to auditor independence prior to the announcement of the results for each period.
- 5.19 Recommend to the Board, the appropriate disclosure in the financial statements of the details of fees paid to the external auditors.
- 5.20 Ensure coordination between the external and internal auditors and management.
- 5.21 Review the relationship with the external auditor and evaluate the overall effectiveness of external audit services annually.

Internal Audit

- 5.22 Establish and review annually the Group's policy on internal audit.
- 5.23 Recommend to the Board the appointment and removal of the internal auditors.
- 5.24 Review the activities and resources of the internal audit function and ensure no unjustified restrictions or limitations are made.
- 5.25 Monitor the progress of the internal audit program and, together with any additional investigative reviews, consider the implications for the control environment, monitor the implementation of agreed action plans by management.
- 5.26 Meet separately with the internal auditors to discuss any matters that the Committee or internal auditors believe should be discussed privately.
- 5.27 Review the relationship with internal audit and evaluate the overall effectiveness of internal audit annually.

Other Responsibilities

- 5.28 Review the findings from the Whistleblower/Tip-offs Anonymous program.
- 5.29 Perform other oversight functions as requested by the Board.

- 5.30 Identify and direct any special projects or investigations deemed necessary.
- 5.31 Review policies to avoid conflicts of interest and review past or proposed transactions between the Company and members of the Board and management.

6. Self Assessment

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

7. Publication

- 7.1 This charter will be made available from the Group's website (www.aristocratgaming.com)