

# Notice of Annual General Meeting

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

Date: Tuesday, 21 April 2009

Time: 10.00am

Location: Marble Room, Ground Floor  
Radisson Plaza Hotel  
27 O'Connell Street  
Sydney NSW 2000

The Meeting can be viewed on the Company's website at [www.aristocratgaming.com](http://www.aristocratgaming.com).

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

## Business

### 1. Financial Statements

To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2008.

### 2. Re-election of Director – Mr WM Baker

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

*"That Mr WM Baker who, in accordance with clause 12.3 of the Constitution of the Company, retires from office and, being eligible, offers himself for re-election, be re-elected a Director of the Company".*

### 3. Re-election of Director – Ms SAM Pitkin

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

*"That Ms SAM Pitkin who, in accordance with clause 12.3 of the Constitution of the Company, retires from office and, being eligible, offers herself for re-election, be re-elected a Director of the Company".*

### 4. Election of Director – Dr RV Dubs

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

*"That Dr RV Dubs, in accordance with clause 12.6 of the Constitution of the Company, be elected a Director of the Company subject to the receipt of regulatory approval".*

### 5. Approval for the grant of Performance Share Rights to the Chief Executive Officer and Managing Director Elect

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

*"That Mr JR Odell, Chief Executive Officer and Managing Director Elect, be granted 660,622 Performance Share Rights pursuant to the Company's Long-Term Performance Share Plan, 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".*

### 6. Approval for the grant of Performance Share Rights to the Chief Financial Officer and Finance Director

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

*"That Mr SCM Kelly, Chief Financial Officer and Finance Director, be granted 208,503 Performance Share Rights pursuant to the Company's Long-Term Performance Share Plan 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".*

### 7. 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 31 December 2008 be adopted".*

## Voting exclusion statement

The Company will disregard any votes cast on Resolutions 5 and 6 by the Directors of the Company and by any of their associates. 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.

## 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 Members at 10.00am (Sydney time) on Sunday, 19 April 2009.

By order of the Board.



**SCM Kelly**  
Company Secretary

Sydney  
19 March 2009

# Proxies

A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy. If a Member is entitled to cast two or more votes, the Member 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 Member's votes.

An instrument appointing a proxy must be signed by the Member appointing the proxy or by the Member's attorney duly authorised in writing or, if the Member is a corporation, under seal or such other means as is contemplated by the *Corporations Act 2001* (Cth) (Act) and the Member's constitution. A proxy need not be a Member of the Company and may be an individual or body corporate.

A proxy has the same rights as a Member 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 Member appoints two proxies, neither shall be entitled to vote on a show of hands, but both proxies will be entitled to vote on a poll.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of Members 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.

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

The Chairman of the Meeting intends to vote undirected proxies in favour of all of the resolutions. The Company encourages all Members who submit proxies to direct their proxy how to vote on each resolution.

An instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed may be lodged:

- by mail, addressed to Aristocrat Leisure Limited, C/- Registries Limited, GPO Box 3993, Sydney, New South Wales 2001, Australia; or
- by fax to the share registry, fax (61) 2 9279 0664; or
- in person to the share registry, Registries Limited, Level 7, 207 Kent Street, Sydney, New South Wales 2000, Australia.

To be effective, a proxy form must be received by no later than 10.00am (Sydney time) on Sunday, 19 April 2009.

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 produced to and accepted by the share registry.

## Corporate representatives

A body corporate which is a Member 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 given to and accepted by the share registry.

If such evidence is not received prior to the commencement of the meeting, then the body corporate proxy (through its representative) will not be permitted to act as the Member's proxy.

## Voting

Every resolution arising at the Meeting will be decided on a show of hands subject to the Company's Constitution and the Act. On a show of hands, every Member who is present in person or by proxy or by representative or by attorney will have one vote. Upon a poll, every Member who is present in person or by proxy or by representative or attorney will have one vote for each share held by that Member.

## Asking questions at the Meeting

The Meeting is intended to give Members the opportunity to hear the Chairman, the Chief Executive Officer and Managing Director Elect and the Chief Financial Officer and Finance Director talk about the year that has just passed and to give some insight into the Company's prospects for the year ahead. The Company welcomes Members' questions at the Meeting. However, in the interests of those present, questions or comments should be confined to resolutions before the Meeting and should be relevant to Members as a whole.

# Explanatory Statement

This Explanatory Statement is intended to provide Members of the Company with information to assess the merits of the proposed resolutions in the accompanying Notice of Meeting.

The Directors recommend that Members read the Explanatory Statement in full before making any decision in relation to the following.

## Financial Statements

This item of business calls for Members to formally receive the Financial Report for the year ended 31 December 2008 (which includes all the Financial Statements and notes) and the Reports of the Directors and the Auditor. While Members are not required to vote on the Financial Statements and Reports, there will be reasonable opportunity at the Meeting to raise questions on the Statements and Reports. The Auditor will be in attendance at the Meeting and can answer questions on the conduct of the audit and the contents of their Report.

## Resolution 2: Re-election of Director – Mr WM Baker

Brief biographical details of Mr WM Baker are set out below:

Mr William Morris Baker  
Age: 69 Years  
Occupation: Company Director  
Academic and professional qualifications: BA

Mr Baker is a Director of J. Edgar Hoover Foundation and Fortress Global Investigations, Inc in the United States of America. Mr Baker was former Assistant Director of the FBI and former President of The Motion Picture Association. Mr Baker has been a Director of the Company since May 1999 and chairs the Regulatory and Compliance Committee. The Company's Policy for the Selection and Appointment of Non-Executive Directors limits a Non-Executive Director's tenure to 12 years. As such, Mr Baker has indicated that he expects to retire prior to the 2011 AGM.

The Board of Directors (with Mr WM Baker abstaining) recommends that Members vote in favour of this resolution.

## Resolution 3: Re-election of Director – Ms SAM Pitkin

Brief biographical details of Ms SAM Pitkin are set out below:

Ms Sally Anne Majella Pitkin  
Age: 49 Years  
Occupation: Company Director  
Academic and professional qualifications: LLB, LLM

Ms Pitkin is a Director of Chandler Macleod Limited, Export Finance and Insurance Corporation, City of Brisbane Investment Corporation Pty Limited and UniQuest Pty Limited. Ms Pitkin is also a Member of Queensland Competition Authority. Ms Pitkin was a Director of Australian Leisure and Hospitality Limited and National Leisure and Gaming Limited. Ms Pitkin was a Partner and Special Counsel of Clayton Utz Lawyers. Ms Pitkin has been a Director of the Company since June 2005. Ms Pitkin chairs the Human Resources and Remuneration Committee, and is a member of the Regulatory and Compliance Committee and the Innovation and Development Committee.

The Board of Directors (with Ms SAM Pitkin abstaining) recommends that Members vote in favour of this resolution.

## Resolution 4: Election of Director – Dr RV Dubs

Brief biographical details of Dr RV Dubs are set out below:

Dr Rosalind Vivienne Dubs  
Age: 56 Years  
Occupation: Company Director  
Academic and professional qualifications: BSc (Hons), Dr ès Sc, FAICD

Dr Dubs is the Deputy Vice-Chancellor (External Relations) of the University of Technology, Sydney. Dr Dubs was a Director of Structural Monitoring System Plc, Thales ATM Pty Limited, Thales ATM Inc (USA) and Thales ATM Navigation GmbH (Germany). Dr Dubs is former Chairman of Thales ATM spA (Milan). Dr Dubs was nominated to be elected as a Director of the Company in December 2008, subject to regulatory approval. If Dr Dubs' election is approved by Members at the Meeting, her appointment as Director will be effective from the time regulatory approval is received. It is intended that Dr Dubs will chair the Innovation and Development Committee.

The Board of Directors recommends that Members vote in favour of this resolution.

**The following information applies to both Resolutions 5 and 6:**

### **Resolutions 5 and 6: Approval for the grant of Performance Share Rights (PSRs) under the Long-Term Incentive Plan**

ASX Listing Rule 10.14 requires the Company to seek the approval of Members in respect of the acquisition of securities by Directors under an employee incentive scheme. The Company's Performance Share Plan (PSP) is a key element of the Company's executive incentive and retention strategy, aligning the interests of senior executives with those of Members.

The only Directors entitled to participate in the PSP are the Chief Executive Officer and Managing Director Elect, Mr JR Odell, and the Chief Financial Officer and Finance Director, Mr SCM Kelly.

Resolutions 5 and 6 seek Members' approval for the grant of a maximum of 660,622 PSRs to Mr JR Odell, and a maximum of 208,503 PSRs to Mr SCM Kelly respectively under the PSP, as part of their long-term incentive arrangements. The resolutions also seek approval in relation to ASX Listing Rule 7.1, which means that the issue of the securities will not count towards the Company's capacity to issue securities under that Rule.

PSRs will be granted at no cost to the participants. Each PSR granted will entitle the participant to one fully paid ordinary share in the Company, subject to the satisfaction of performance conditions set by the Board in respect of the grant.

If Member approval is obtained, it is intended that the PSRs will be granted shortly after the Meeting, but no later than 3 months after the Meeting or any adjournment thereof.

### **Overview of the PSP**

The PSP is an employee incentive scheme, introduced in 2004, intended to:

- drive the continuing improvement in the Company's performance;
- provide a market competitive reward mechanism in line with the market practice and expectations of Members;
- provide eligible employees with the opportunity to acquire an ownership interest in the Company; and
- align the interests of eligible employees with the interests of Members.

To achieve this, the PSP provides for eligible employees to be offered conditional entitlements to fully paid ordinary shares (PSRs) in the Company, such that shares may be allocated to them, subject to meeting certain performance conditions within a set performance period.

Grants under the PSP will be tested over a 3 year period. If the relevant performance conditions are satisfied at the end of the performance period then the PSRs will vest, and participants will automatically be allocated shares in the Company. No amounts will be payable by the participants upon vesting of the PSRs. No retesting of performance is provided for. Shares allocated on vesting of the PSRs are subject to disposal restrictions as set out in the PSP Rules, and will carry full dividend and voting rights from the date of allocation. Shares allocated under the PSP may be forfeited by the participant but only in limited circumstances such as where the participant has acted fraudulently or dishonestly.

PSRs granted under the PSP are not transferable. Participating executives are prohibited from entering into hedging arrangements in respect of unvested PSRs.

No loan is applicable to the proposed offer to Mr JR Odell and Mr SCM Kelly.

Members have previously approved annual grants of PSRs pursuant to the PSP to Mr PN Oneile (former Chief Executive Officer and Managing Director) and Mr SCM Kelly. As approved by Members at the 2008 Annual General Meeting, the following PSRs in relation to shares were allocated at no cost to:

- Mr PN Oneile\* – 279,441 PSRs; and
- Mr SCM Kelly – 75,331 PSRs.

\* These PSRs were forfeited by Mr PN Oneile upon his departure from the Company on 29 September 2008.

### **Specific terms of the grant**

The recommended number of PSRs to be granted to each of Mr JR Odell and Mr SCM Kelly has been calculated by dividing each participant's long-term incentive entitlements by the estimated fair value of the PSRs (Estimated Fair Value) granted to each, for the purposes of remuneration packaging at 1 January 2009, after taking into account the likelihood of vesting based on achievement of the performance conditions set by the Board.

The Estimated Fair Value is determined by the Board based on an accounting valuation performed by Deloitte. The Estimated Fair Value will not be equal to the market value of a share at the commencement of the performance period as a result of the PSRs being contingent rights to shares in the future. The Estimated

# Explanatory Statement

Fair Value at the commencement of a performance period is influenced by the Company's share price at the date of grant, volatility of the underlying shares, the risk-free rate of return, expected dividend yield, time to maturity and the likelihood that vesting conditions will be met.

At 1 January 2009, the Estimated Fair Value was determined by the Board, based on advice from an independent valuer and the Company's external remuneration consultant, as \$1.93 per PSR.

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. It is the Company's intention at this time that the relevant shares will be sourced from the Aristocrat Employee Equity Plan Trust holding.

## Performance conditions

### (a) The Comparator Group

The Comparator Group comprises 50 ASX listed companies of a similar size, based on the average market capitalisation of the Company for the three months up to 1 January 2009, excluding real estate, energy, metals and mining companies. The Comparator Group applies to the Total Shareholder Return (TSR) and Earnings Per Share Growth (EPSG) measures described below. The TSR and EPSG of all Comparator Group companies and the Company will be ranked at the end of the performance period.

Fifty per cent of the shares which are the subject of any allocation will be issued or transferred upon the Company achieving a TSR target over the performance period, and the other fifty percent will be subject to achieving an EPSG target. A vesting scale determines how many shares are allocated.

### (b) TSR performance test

TSR is the return to Members, calculated by reference to share price appreciation plus dividends expressed as a percentage of the investment. Therefore, TSR reflects the increase in value delivered to Members over the performance period.

### (c) EPSG performance test

EPSG is the percentage increase in fully diluted earnings per share over the performance period. In determining EPSG, adjustments are made for the Company and the Comparator Group companies for capital management initiatives, including the effect of net changes in capital and any other distortionary items which unduly impact reported EPSG in order to ensure an appropriate like-for-like comparison.

The link between performance and the percentage of the relevant PSRs which will vest is represented in the following table:

Company performance (TSR and EPSG percentile ranking)	% of vesting
Up to the 50.1st percentile	0%
At the 50.1st percentile	45%
Between 51st–55th percentile	46–50% pro-rata vesting (for each percentile improvement, an additional 1% vest)
Between 56th–74th percentile	52.5–97.5% pro-rata vesting (for each percentile improvement, an additional 2.5% vest)
At the 75th percentile or above	100%

## Summary of the PSP rules

Key executives are allocated a certain value of participation (Participation Value) in the PSP, being a designated percentage of their fixed remuneration. This designated percentage is determined based on a combination of each executive's level of responsibility, performance, potential and retention risk. The number of PSRs to be allocated is then determined based on an assessed value of each PSR for the purposes of remuneration packaging (Remuneration Value of a PSR) at the commencement of the performance period.

## Cessation of employment and change of control

If a participant in the PSP ceases employment with the Company before the performance conditions are tested, then any PSRs will lapse. If the cessation is due to death or redundancy, or where the Board otherwise consents, a proportionate number of 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. 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.

The Board of Directors (with Mr JR Odell and Mr SCM Kelly abstaining) recommends that Members vote in favour of Resolutions 5 and 6 respectively.

## **Resolution 7: Remuneration Report**

Section 300A of the Act requires the disclosure, in a dedicated part of the Directors' Report under the heading of 'Remuneration Report', of the remuneration paid to the key management personnel of a listed company.

The Remuneration Report for the financial year ended 31 December 2008 is set out in the Directors' Report and appears on pages 26 to 49 of the 2008 Annual Report. It is also available on the Company's website, [www.aristocratgaming.com](http://www.aristocratgaming.com).

Members 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, including:

- an explanation of the Board's policies in relation to the objectives and structure of remuneration;
- 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 key management personnel of the Company.

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 Directors or the Company.

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 Members vote in favour of Resolution 7.