



Company	Aristocrat Leisure Ltd
Code	ALL
Meeting	AGM
Date	20 February 2020
Venue	Aristocrat Head Office, Pinnacle Building Epping Road, North Ryde NSW
Monitor	Carol Limmer

Number attendees at meeting	38 shareholders, 5 proxyholders and 27 visitors and guests
Number of holdings represented by ASA	43
Value of proxies	\$4m
Number of shares represented by ASA	110,233
Market capitalisation	\$23.9 bn
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair of People & Culture Chair, Ms Kathleen Conlon and Corporate General Counsel & Company Secretary, Mr Richard Bell

Anti-Gambling Alliance dominated meeting

New Chairman (Mr N Chatfield) and CEO (Mr T Croker) presented comprehensive reports on performance. Full details of these can be viewed on ALL website. Among highlights were –

- Good financial performance including increase in revenue, annual profit, dividends and EPS along with strong cash flow and relatively sound capital position.
- A significant jump in the digital social games arena.
- Various strategic initiatives continue to be well managed.
- Focus on Governance, Risk, Compliance and Culture.
- Further disclosures on sustainability and both Chairman and CEO mentioned that as well as updating/expanding content on responsible gameplay and employee relations they have reported on energy and environment, community and society and ethical sourcing. Further, they indicated there will be more commentary on energy, diversity and inclusion in 2020.
- Continuing Board renewal.

The Chair of the People & Culture Committee (Ms K Conlon) spoke on the ALL's approach to paying for performance and the various changes made to ALL's Remuneration arrangements.

In relation to Outlook ALL stated that they have no direct exposure to mainland China and are currently supporting their staff in Macau and Hong Kong on Coronavirus concerns. ALL has not seen any material impacts at this stage but will keep market informed.

They also said that \$250k has been donated for Drought and Bushfire relief and would be continuing to do this in longer term

The Chairman managed the meeting well, giving adequate time in a sensitive manner to individuals from the Anti Gambling Alliance (the Alliance), including Mr Stephen Mayne and two women with sons who have gambling addiction and associated tragic implications for them and family, for their concerns/questions to be raised.

Other than the Alliance and ASA not many comments or questions were raised – a sign that many shareholders may be satisfied with the company.

Among questions/comments from ASA were related to possibility of listing offshore (not at present with comment it is something regularly considered by Board but mainly around looks at what is in best interests of shareholders (with still strong Australian base), acknowledgement of good financial outcomes and reporting on ESG type matters as well as some positive changes in remuneration, the generosity of approach on LTIs (including 3 year only performance period, 50% vesting at median performance for TSR hurdle, individually based hurdle which has KPIs but still some time served component and also that with continued share price growth could go from \$3m to \$5m as well as maximum 200% for STIs).

Individuals from the Alliance made comments, asked questions and expressed impassioned pleas on range of matters, including

- * Suffering of individuals negatively impacted by effects of addiction to gambling (Chairman said that ALL had employees specifically dedicated to assisting in such circumstances and offered access to this service following the meeting)

- * Whether Directors had over past 12 months taken time to meet with people with 'lived experience' of above (Some Directors as well as members of Management team had done so and also mentioned that ALL actively contributed to research in this))

- * Proxy votes on resolutions already received being shown prior to questions (this is something ASA would like to have introduced)

- * Putting the webcast from previous meeting back up on website and keeping webcast of current meeting on website

- * Request for meeting to be in central (CBD) location for convenience of shareholders and so people with sad experience related to gambling machines did not have to walk past some to get into meeting room.

- * Whether Chairman and other Directors had read book 'Addiction by Design' (Chairman and some others committed to doing so)

- * Age and Place of Residence being disclosed for Directors

* Whether appropriate for CEO to chair Gaming Association of America, given that it speaks on behalf of casino (Chair noted that responsible gambling is an issue discussed and other stakeholders are represented (eg Manufacturers)

* Political influence of pubs and clubs (ALL stated that they do not direct these organisations to make any political lobbying)

* That UK have banned use of credit cards on gaming machines

* Reported money laundering, possible tampering with machines, whether minimum bet could be reduced (Chairman mentioned the security and integrity of machines, regulations, independent accreditation, 3rd party advice on hardware construction).

All directors spoke in support of their proposed elections/re-elections and added to their addresses in answer to various questions from Mr Mayne.

ASA voted FOR resolutions with exception of the proposed Performance Share Allocation to the CEO and the Remuneration Report. Resolutions for Election/Re-Election of Directors, the SuperShare Plan and Renewal of Proportional Takeover Approval Provisions passed within range of 90% to 99.88% in favour. Voting FOR the Allocation of Performance Share Rights was 75.91% and FOR the Remuneration Report it was 93.63%. Obviously most shareholders and proxy holders present were relatively happy with the company but from voting outcomes seems that a reasonable number had concerns about the potential level of remuneration for the CEO and certain aspects of the incentive plans.