

Corporate Governance

The Board believes that adherence by the Company and its people to the highest standard of corporate governance is critical in order to achieve its vision.

The Company's corporate governance practices during the year to 30 June 2013 are outlined below. This includes information required under the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (2nd edition) (the ASX Principles).

1. BOARD OF DIRECTORS

Role and Responsibilities

The Board sets the Company's strategic goals and objectives, and oversees the management and performance of the Company's business. The Board is ultimately accountable to Newcrest's shareholders for the performance of the business. The role of the Board is described in the Board Charter, which is available on the Company's website: www.newcrest.com.au.

Responsibility for the day-to-day management of the business is delegated to the Managing Director and Chief Executive Officer (CEO), and the Executive Committee. The Board has approved a formal Statement of Management Authorities and Responsibilities. The Statement is supported by a comprehensive financial control framework of delegated authorities, including authorities delegated to individual Executives.

Board Composition

Newcrest's Board currently comprises 11 Directors: two Executive Directors (the Managing Director and CEO – Greg Robinson, and the Finance Director and Chief Financial Officer (CFO) – Gerard Bond) and nine Non-Executive Directors.

The Chairman is an independent Non-Executive Director and is not a former executive of the Company. The roles of the Chairman, and the Managing Director and CEO are not exercised by the same individual.

The names, skills and experience of each Director, and date of appointment are set out on pages 8 and 9 of this report. Details of changes to the Board during 2012–13 and the current year to date are set out in the Directors' Report on page 39.

The Board has determined that as a general rule, a Non-Executive Director will not serve on the Board for more than 10 years. Non-Executive Directors are required to submit themselves for re-election every three years, and at least one Director must stand for election each year.

Selection and Appointment of Directors

Directors regularly review the Board's structure, size and composition to ensure that it has the range of skills, expertise and experience demanded by the Company's operations.

The Company seeks to maintain a Board with a broad range of skills focussed on resource, operational and mining-related expertise, broad commercial and financial understanding, and business experience and strength in other key areas such as health, safety and environment, in each case appropriate to meet the needs of a business of Newcrest's size and complexity.

Nominations to the Board are considered by the full Board. The Directors consider that this is the most efficient way to deal with the selection and appointment practices of the Company. Further, ultimate responsibility for decision-making in this area rests with the Board. For these reasons, the Board does not have a separate nomination committee.

When considering new appointments to the Board, suitable candidates are identified, using external professional advisers if necessary. The Board considers the range of skills, experience and diversity in considering candidates for appointment.

Appointment of the Managing Director and CEO is made by the Board, with professional advice as required.

Board Committees

There are three standing committees of the Board, which assist the Board by providing detailed analysis of key issues. The Board also operates a Board Executive Committee on an ad hoc basis. Each Director receives all committee papers and minutes, and is invited to attend all committee meetings. In practice, all Directors attend each committee meeting other than in exceptional circumstances. Each committee reports its deliberations to the next Board meeting.

Each committee has its own charter. The charters can be viewed in the Corporate Governance section on the Company's website: www.newcrest.com.au.

Details of the number of Board and committee meetings held during the financial year, and each Committee member's attendance at the meetings are set out on page 40 of this report.

Audit and Risk Committee

Members: John Spark (Chairman), Richard Knight, Richard Lee and Tim Poole.

Function: This Committee assists the Board to fulfil its responsibilities including with respect to the integrity of the Company's financial statements, compliance with all accounting and financial reporting obligations and applicable legal and regulatory requirements, risk management and internal control processes and effectiveness, insurance, and internal and external audit. The Committee oversees, reviews and makes recommendations to the Board with respect to the above matters.

The Audit and Risk Committee holds at least four formal scheduled meetings each year, and meets as otherwise required on an informal basis throughout the year. Full details of meeting attendance are included in the Directors' Report.

The Committee is chaired by, and comprised of, independent Non-Executive Directors.