

### Executive Performance Evaluation

The Company has in place a performance appraisal system for Executives, which is designed to help measure and optimise performance. Details regarding the Company's performance management system for the period 2012–13 are set out in the Remuneration Report on pages 56 to 69.

The Board annually reviews the performance of the CEO against agreed performance measures and other relevant factors.

The CEO undertakes a similar exercise in relation to each of the Senior Executives. The outcomes of the CEO's annual performance review of the Senior Executives are then approved by the Board.

Each of the Company's Senior Executives (including the Managing Director and CEO, and the Finance Director and CFO) has undergone performance evaluation during the 2012–13 reporting period, in accordance with the Company's Work Performance System.

## 3. DIRECTORS' FEES AND EXECUTIVE REMUNERATION

### Directors' Fees

Remuneration of Non-Executive Directors is fixed rather than variable, so that Board membership of a high standard is maintained and market remuneration trends reflected. Remuneration levels and trends are customarily assessed every two years, with the assistance of independent remuneration consultants as required, and adjusted where necessary to align with Board remuneration levels in comparable Australian-listed companies.

The total annual remuneration paid to all Non-Executive Directors may not exceed the maximum amount authorised by the shareholders in general meeting. The total 'fee pool' is currently \$2,700,000 and was approved by shareholders in 2010. The Board has determined not to seek shareholder authorisation for an increase in the fee pool in 2013 as Non-Executive Director fees remain at the level set in December 2010.

Statutory superannuation contributions and fees that a Non-Executive Director agrees to salary sacrifice (pre-tax), are included in the calculation of the total amount of Directors' fees payable.

### Executive Remuneration

The Company's Remuneration Policy recognises the different levels of contribution within management to the short-term and long-term success of the Company. A significant proportion of each Senior Executive's remuneration is placed 'at risk', and is dependent upon both personal and Company performance formally appraised each year.

The Board has established with the Managing Director and CEO specific personal and corporate performance objectives for the short- and long-term. The performance of the Managing Director and CEO is formally assessed against these objectives annually. The assessment helps determine the level of 'at risk' remuneration paid to the Managing Director and CEO. The Human Resources and Remuneration Committee must approve contracts with remuneration consultants. Remuneration recommendations made by remuneration consultants in relation to Key Management Personnel must be made to the Non-Executive Directors on the Committee.

Details of the Company's policies and practices in relation to both Non-Executive Directors' and Senior Executives' remuneration, and how they relate to Company performance, are set out in the Remuneration Report on pages 56 to 69.

## 4. RESPONSIBLE AND ETHICAL BEHAVIOUR

### Code of Conduct and Values

The Code of Conduct reflects the Company's values, and provides a framework within which its entire workforce functions, including in its interaction with stakeholders.

This helps to ensure the appropriate degree of integrity in the Company's dealings. Company employees have been trained in the values and expected behaviour under the Code to ensure compliance 'in action'. The Code of Conduct can be viewed in the Corporate Governance section on the Company's website: [www.newcrest.com.au](http://www.newcrest.com.au).

The Company also has a comprehensive range of corporate policies which detail the framework for acceptable corporate behaviour, and these are subject to periodical review. A number of the policies referred to in the Code of Conduct may be found on the Company's website, including Safety and Health Policy, Diversity Policy, High Performance Policy, International Employees Policy, Communities Policy and Environmental Policy.

The Company has a Speak Out Policy, which encourages employees and contractors to raise concerns or to report instances of misconduct, or suspected misconduct, on an anonymous basis. Complaints are referred to an independent third party service provider for initial consideration. Issues identified are then reported to management, so that concerns can be addressed and, where appropriate, investigated further.

### Securities Dealing Policy

The Company has a Securities Dealing Policy, which was last revised in August 2012.

It provides for 'prohibited periods' (or 'blackout periods') when staff must not deal in the Company's securities. The blackout periods around the half year and full year results commence immediately following the close of the half and full year result period. A blackout period also applies from the date two weeks prior to the Annual General Meeting (AGM). These blackout periods end immediately after the announcement of the Company's quarterly, half year and full year results, and the AGM results at the conclusion of the AGM.

The policy prohibits the use by employees of derivatives such as caps, collars, warrants or similar products in relation to Company securities, including shares acquired under the Company's equity incentive schemes, whether or not they are vested. The policy also prohibits the entry into transactions in associated products which operate to limit the economic risk of their security or interest holdings in the Company. The Directors and the Company Secretary are not permitted to enter into margin loans in relation to Newcrest securities at any time and other designated employees must seek approval from the Company Secretary if they intend to enter into such transactions.

The policy can be found in the Corporate Governance section on the Company's website: [www.newcrest.com.au](http://www.newcrest.com.au).