

### 3. HUMAN RESOURCES AND REMUNERATION COMMITTEE

#### 3.1 Role of the Human Resources and Remuneration Committee

The role of the Human Resources and Remuneration Committee is to review, advise and formulate recommendations to the Board in relation to matters within its Charter, to refer these to the Board for determination, and to oversee implementation and administration of major components of the Company's Board approved remuneration strategy. Further details of the Human Resources and Remuneration Committee, its membership, functions and operation, are set out in the Corporate Governance section of the Annual Report. The Human Resources and Remuneration Committee Charter is available on the Company's website: [www.newcrest.com.au](http://www.newcrest.com.au).

### 4. NON-EXECUTIVE DIRECTORS' REMUNERATION

#### 4.1 Policy – Independence and Impartiality

In order to maintain impartiality and independence, Non-Executive Directors do not receive any performance-related remuneration and are not entitled to participate in the Company's employee cash and equity remuneration schemes.

#### 4.2 Fixed Fees

Non-Executive Directors, including the Chairman, are paid fixed fees for their services to the Company. Those fees are inclusive of any contribution to superannuation that a Non-Executive Director wishes to make or which the Company is required by law to make on behalf of a Non-Executive Director. The level and structure of fees is based upon:

- the need for the Company to attract and retain Non-Executive Directors of suitable calibre;
- the demands of the role; and
- prevailing market conditions.

The aggregate amount of fees paid is within the overall amount approved by shareholders in the Annual General Meeting. The last determination made was at the Annual General Meeting held on 28 October 2010, at which shareholders approved an aggregate amount of \$2,700,000 per annum. The Board considered this aggregate amount during 2012, determined that no change to it was required, and deferred any further review until June 2013. In June 2013, the Board resolved that the aggregate amount of Non-Executive Directors' fees should remain at the level approved by shareholders in December 2010.

Fixed fees paid to Non-Executive Directors in 2012–13 are set out in Table 8.

#### 4.3 Additional Services

Under the Company's Constitution, Non-Executive Directors may be remunerated for additional services, for example, if they undertake specialist or consulting work on behalf of the Company outside the scope of their normal Director's duties. No fees for additional services were paid to Non-Executive Directors in 2012–13.

#### 4.4 Committee Fees

Details of all Board Committee fees paid during 2012–13 are included under the heading 'Committee Fees' in Table 8. No other fees were paid to Non-Executive Directors during 2012–13.

#### 4.5 Review of Non-Executive Director Fees

The Company's practice is to review Non-Executive Director remuneration every two years. A review by an independent specialist remuneration consultant was undertaken in November 2010, including a process of benchmarking against independent Non-Executive Director fees paid to other ASX Top 20, Top 25 and Top 30 companies respectively. The review concluded and recommended that Board and Committee fees should be adjusted to be positioned around the median for ASX Top 30 companies and that recommendation was adopted. As noted in section 2.2, the Board resolved to postpone review of the Non-Executive Director fees in 2012 and further deferred that review in 2013. As a result, Non-Executive Director fees remain at the level set in December 2010.

Current Non-Executive Director remuneration, comprises:

- base fees payable to the Board Chairman of \$600,000 and to each Non-Executive Director of \$200,000 per annum respectively;
- fees payable to Audit and Risk Committee Chair and Committee members of \$50,000 and \$25,000 respectively;
- fees payable to the Safety, Health and Environment Committee Chair and Committee members of \$40,000 and \$20,000 respectively; and
- fees payable to the Human Resources and Remuneration Committee Chair and Committee members of \$40,000 and \$20,000 respectively.

#### 4.6 Requirement for Directors to Hold Shares

All Directors are required to hold shares in the Company. The number of shares to be held and the timeframe in which they are to be acquired are determined by the Board.

#### 4.7 Retirement Benefits

Non-Executive Directors are not entitled to receive a retirement benefit.

### 5. EXECUTIVE DIRECTOR AND EXECUTIVE MANAGER REMUNERATION

#### 5.1 Executive Reward Structure

The Company's executive reward structure consists of the following three elements:

- fixed remuneration;
- at-risk cash remuneration; and
- at-risk equity-based remuneration.

#### 5.2 Board Policy and Strategy on Executive Remuneration

In 2012–13 the Board retained the remuneration elements outlined above for Executive Directors and Executive Managers. The structure of remuneration arrangements for Executive Directors and Executive Managers is, in broad terms, no different from that for other members of management across the Company. The main differences relate to the weighting for different components of their remuneration, with the proportion of at-risk remuneration increasing with seniority.

Newcrest's policy is to offer a competitive total remuneration package for Executive Directors and Executive Managers, benchmarked against comparable companies in Australia and global mining companies.

#### 5.3 Remuneration Consultants

The Company engages the services of independent and specialist remuneration consultants from time to time and as required in formulating recommendations on fixed remuneration for Executive Directors and Executive Managers. Under the *Corporations Act 2001*, remuneration consultants must be engaged by the Non-Executive Directors and reporting of any remuneration recommendations must be made directly to the Remuneration Committee.

With respect to 2012–13, the Board on the recommendation of the Human Resources and Remuneration Committee resolved to appoint Pricewaterhouse Coopers (PwC) as the Company's remuneration consultants for the 2012–13 reporting period. Neither the Board nor the Human Resources and Remuneration Committee has sought or received remuneration recommendations from PwC or any other remuneration consultant during the 2012–13 reporting period.

#### 5.4 Determining Fixed Remuneration

The Board annually reviews and determines fixed remuneration for the Managing Director. The Managing Director does the same with respect to his direct reports, the Executive Management group, subject to the Board's oversight. The Executive Management group reviews and recommends fixed remuneration for other senior management, for the Managing Director's approval. Fixed remuneration for Executive Directors and Executive Managers as at 30 June 2013 is set out in Table 7.