



### A Golden Year from Newcrest

<b>Company/ASX Code</b>	Newcrest Mining Limited/NCM
<b>AGM date</b>	Tuesday 12 November 2019
<b>Time and location</b>	10.30 AM.
<b>Registry</b>	Link Marketing Services
<b>Webcast</b>	Yes
<b>Poll or show of hands</b>	Poll on all items
<b>Monitor</b>	Gavin Morton
<b>Pre AGM Meeting?</b>	Yes, with the Chair Peter Hay

<b>Item 1</b>	<b>Consideration of accounts and reports</b>
<b>ASA Vote</b>	No vote required

#### Summary of ASA Position.

NCM have had an outstanding year. Group gold production grew steadily from 2,346 thousand ounces in the 2018 financial year (FY18) to 2,488 thousand ounces in FY19. There were no impairments or significant items reported for the FY19 period. Underlying profit of \$561m was 22% higher than in the previous year. All-in cost reduced from \$2,129m to \$2,093m. A fairly steady increase in gold prices has seen a stronger market sentiment towards gold mining companies. The combination of the foregoing resulted in NCM's share price increasing from \$21.49 to \$31.95 in FY19. Total shareholder value increased by about 50% as a result of these movements.

During the year progress was made in regard to acquiring a 70% interest in the Red Chris mine in Canada. Block caving could transform this mine into a Tier 1 asset. NCM have a 27% interest in Lundin Gold which is located in Ecuador and has increased its interest in Sol Gold to 15.2%. Development of the Wafi-Golpu mine has been delayed due to political issues in Papua New Guinea. Telfer operations may continue longer than expected.

NCM focusses on Safety (zero fatalities 2019), People, Operating Performance, Technology and Profitable Growth. External stakeholders are Shareholders, Communities and Governments.

There has been a significant improvement in its performance in recent years.

## Summary

(As at FYE)	2019	2018	2017	2016	2015
NPAT (US \$m)	561	202	308	332	376
UPAT (US \$m)	561	459	394	323	424
Share price (AU \$)	31.95	21.80	20.16	23.00	13.02
Dividend (US cents)	22.0	18.5	15.0	7.5	nil
TSR (%)	50.0	15.8	(12.3)		
EPS (US cents)	73.0	26.3	40.2	43.3	49.1
CEO total remuneration, actual (US \$m)	6.378	6.731	6.644	3.367	3.029
CEO total remuneration, actual (AUD \$m) (1A\$ = US\$0.69)	9.28	9.79	9.67	4.9	4.41

For 2019, the CEO's total actual remuneration was **105 times** the Australian Full time Adult Average Weekly Total Earnings (based on May 2019 data from the Australian Bureau of Statistics).

<b>Item 2a</b>	<b>Re-election of Peter Hay as a Director</b>
<b>ASA Vote</b>	<b>For</b>

### **Summary of ASA Position**

Peter Hay was appointed to the Board in 2013 and then appointed as Chair in 2014. He is also Chair of the Nominations Committee. He is considered independent as per ASA's guidelines. Currently, he serves as Acting Chair of Vicinity Centres (having recently resigned from the role but continuing to serve while the new Chair returns from a leave of absence) as well as Chair of Australia Pacific Airports Corporation - an unlisted company with controlling interests in Melbourne Airport and Launceston Airport. Mr Hay's background and experience lie in corporate law, finance, investment banking advisory work with particular expertise in mergers and acquisitions. Mr Hay also serves as a member of the Corporate Governance Committee Australian Institute of Company Directors. He guided NCM through a difficult period which followed the takeover of the Lihir mine in Indonesia.

ASA believes that Mr Hay's skills are an asset to the Company and finds that he fulfils the minimum shareholding requirements for Non-Executive Directorship. We will support his re-election.

<b>Item 2b</b>	<b>Re-election of Vikki McFadden</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

Ms McFadden joined the Board in 2016. She is Chair of the Audit and Risk Committee, and Chair of the Human Resources and Remuneration Committee. Her previous experience includes serving as Managing Director of Investment Banking at Merrill Lynch in Australia and as a Director of Centaurus Corporate Finance. In terms of non-listed company engagements, she currently serves as Director of the Myer Family Investments Pty Ltd and a member of the Advisory Board and Executive Committee of the UNSW Business School.

In terms of listed companies, she is currently serving as Chair of the GPT Group and is a Director of Tabcorp Holdings. She meets ASA guidelines with regard to skills, experience and workload. She holds 10,000 shares, the value of which is greater than her annual fees.

ASA supports Ms McFadden's re-election.

<b>Item 3a and 3b</b>	<b>Grant of Performance Rights to: CEO Sandeep Biswas; CFO Gerard Bond</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

The number of rights awarded to Sandeep Biswas is calculated by dividing 180% of his fixed annual remuneration by the volume weighted average share price (VWAP) prior to the grant date. The rights will vest after 3 years with a 1-year holding lock.

Vesting of the rights will be subject to performance in the following equally weighted conditions:

Comparative cost position (all-in-sustaining cost or AISC), return on capital employed (ROCE) and relative shareholder return.

Gerard Bond's long-term incentive (LTI) opportunity is calculated in the same way as the CEO's. Mr Bond's maximum opportunity is 120% and his current total fixed remuneration (TFR) is A\$1m. The figure is calculated by dividing 120% of his fixed annual remuneration by the VWAP prior to the grant date and the rights will vest after three years with a one year holding lock. The same measures as applicable to Mr Biswas' grant will apply.

Since 2015, absolute shareholder return is 150%. This suggests that there is some relationship between an increase in shareholder return and executive incentive payments.

We will be voting undirected proxies in favour of the Remuneration Report. It follows that approval be given to the grant of these performance rights.

<b>Item 5</b>	<b>Remuneration Report.</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position.

CEO rem. framework	Target US\$M	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	1.7	26.3	1.7	20.8
STI - Cash	0.85	13.1	1.7	20.8
STI - Equity	0.85	13.1	1.7	20.8
LTI	3.06	47.36	3.06	37.6
Total	6.46	100.0%	8.16	100%

The amounts in the table above are the statutory amounts that are envisaged in the design of the remuneration plan. \*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting.

Short Term Incentives (STI), are a mixture of business (60%) and personal measures (40%). Business measures include safety, earnings, costs and free cash flow. STI payments are delivered in cash (50%), and deferred shares (50%). Half of the deferred shares are delivered after 1 year, and the remainder two years after the allocation date. The value of each deferred STI deferred share, is the VWAP price preceding the date of the cash payment. There is no information re hurdles, gateways or performance. The average STI payment for executives was 62.6% which suggests the presence of stretch targets.

The CEO can achieve 100% of TFR as “on-target” performance and 200% for the maximum opportunity. In terms of LTI, the CEO can achieve a maximum of 180% of TFR. Since a specific target amount has not been defined, ASA has substituted the target LTI opportunity with the maximum LTI opportunity.

Long term incentive (LTI) performance conditions are set to align with long term goals and the generation of shareholder value. Allocations are in the form of rights. The number of rights awarded depends on executive performance in regard to AISC, ROCE and relative total shareholder return (TSR) using Global Gold Index as a comparator. The rights vest after 3 years with a 1-year holding lock. The percentage of 2015-2019 awards vesting is 59.5%, which suggest the presence of stretch targets. Rights are issued at face value (not fair value), and there is no retesting of face value.

The remuneration report largely aligns with ASA guidelines and a vote in favour is recommended.

The individual preparing this voting intention report has no shares in this company.

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