



**Coal. Energy. Agriculture.  
Responsibly. Reliably.**

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**Corporate  
Governance  
Statement  
2023**

# Outline

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New Hope Group acknowledges the Traditional Owners of Country throughout Australia and First Nations people in the locations in which we operate our business. We pay our respects to Elders past and present.

In this Statement, a reference to "New Hope", "Group", "New Hope Group", "Company", "we", "us" and "our" is to New Hope Corporation Limited ABN 38 010 653 844 and its subsidiaries.

This Statement has been approved by the Board and is current as at 20 October 2023.

# Governance

The Company recognises that strongly embedded corporate governance is essential to building trust and creating long-term shareholder value.

This Statement outlines the key features of our corporate governance framework for the financial year ended 31 July 2023.

This Statement describes the governance policies and practices adopted by the Company during the reporting period and reports against the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council (ASX Principles and Recommendations).

Our compliance with the ASX Principles and Recommendations, and location of the relevant disclosures, is outlined within the Company's Appendix 4G, which is available on our website at: <https://newhopegroup.com.au/company-news-and-performance/>

Unless otherwise stated, the policies, other governance documents and reports referred to in this Statement can be found at: <https://newhopegroup.com.au/corporate-governance/>

Further information regarding the Company's performance and activities is available in the 2023 Annual Report available on our website at: <https://newhopegroup.com.au/company-news-and-performance/>

## Governance Structure



# Culture and Values

The Board has oversight of the Company's culture and is committed to the core values. Culture is a regular topic of consideration by the Board and its Committees. During the year, employees participated in an organisational survey to assist the Company assess and improve the culture which underpins the achievement of our strategic goals. Survey results are discussed at the Board and Board Committee meetings.

## Our Core Values Are:



### Integrity

We are ethical, honest and trusted to do the right thing.



### Respect

We listen and treat others as we expect to be treated.



### Responsibility

We are empowered and accountable for our actions.



### Wellbeing

We all seek to prevent harm, promote safety and enhance health.



### Resilience

We are adaptable and see opportunity in change.



### Collaboration

We work together and focus on the best outcome.



# Board and Committees

## The Board

As at the date of this statement, the Board comprises seven Non-Executive Directors - four of whom are Independent and three non-Independent. The names, skills and experience of each Director, and their dates of appointment are set out in the 2023 Annual Report at pages 60–63.

The Board has a charter that outlines its responsibilities, including powers that are expressly reserved to the Board, and powers that are specifically delegated to the Chief Executive Officer (CEO) and Management. In particular, the Board is responsible for:

- overseeing the management of New Hope Group;
- setting strategic objectives;
- monitoring the Company's financial, operational and sustainability performance;
- approving the Group's Code of Conduct and Governance Policies;
- setting the risk appetite and monitoring the Group's risk management; and
- compliance with the Company's governance frameworks and regulatory compliance.

The Board delegates certain powers to Board Committees to help it fulfil its roles and responsibilities. The Board has delegated the CEO power and authority to manage the Company's business, except for those matters specifically reserved to the Board or one of its Committees. The CEO has in turn delegated some powers to executives and other employees but remains accountable to the Board for the Group's performance and for all delegated authority.

The key functions of the Board and its Board Committees are outlined in this Statement. Copies of the Board and Board Committee Charters can be found at: <https://newhopegroup.com.au/corporate-governance/>

The Board may form other Committees, at its discretion, to undertake specific duties from time to time.



## The Chairman

The Chairman, Robert Millner AO, joined the Board in December 1995 and was appointed Chairman in November 1998. The role of the Chairman is to:

- provide effective leadership to the Board;
- facilitate the effective contribution of all Directors;
- promote constructive and respectful relations between Directors and Management;
- ensure that the Board functions effectively; and
- communicate the views of the Board to shareholders.

## The Company Secretary

The Company Secretary is appointed and removed by the Board. The Company Secretary is accountable to the Board, through the Chairman, and provides advice and support to the Board and is responsible for all matters to do with the proper functioning of the Board. All Directors have direct access to the Company Secretary. Further details of the skills and experience of the Company Secretary are set out in the 2023 Annual Report at page 63.

## The Board Committees

The Board Committees assist the Board in carrying out its responsibilities. In deciding Committee memberships, the Board endeavours to make the best use of the range of Directors' skills and expertise. Responsibility is shared. Committee membership is reviewed annually.

The Board receives minutes of all Committee meetings and is presented with a verbal report from each Committee Chair on significant areas of discussion and key decisions.

To assist each Committee in discharging its responsibilities, each Committee has an annual meeting planner that sets out the scheduled items of business and reports to be considered during the year. Information on the number of Committee meetings held during the year, and Directors' attendance at those meetings, is presented in the 2023 Annual Report at page 80.

Each committee has a Charter which is available on our website at: <https://newhopegroup.com.au/corporate-governance/>. Each Charter sets out respective Committee objectives, membership, authority, responsibility and processes regarding meetings, reporting and review.

In accordance with each Committee Charter, each Committee comprises three members, including the respective Committee Chair, all of whom are independent Non-Executive Directors. The Chairs and Members of each Board Committee as at the date of this statement is as follows:

Non-Executive Directors	Audit and Risk Committee	Sustainability Committee	Nomination and Remuneration Committee
Ian Williams	Chair	Member	Member
Jacqui McGill AO	Member	Chair	Member
Steve Boulton	Member	-	Chair
Lucia Stocker		Member	-

The key functions of each Board Committee are set out below.

## Audit and Risk

The Audit and Risk Committee assists the Board by:

- providing oversight of the Group's financial reporting responsibilities including external audit independence and performance;
- facilitating discussions with external and internal auditors, without Management present; and
- fulfilling its responsibilities in relation to risk management, compliance, legal proceedings, corporate governance, and insurance.

All members of the Audit and Risk Committee including the Chair are independent.

## Sustainability

The Sustainability Committee assists the Board by:

- overseeing health, safety, environment, and community impact matters arising out of the Company's activities as they may affect employees, contractors, and the local community in which we operate;
- fulfilling its people, culture, inclusion and diversity responsibilities;
- focusing on sustainability initiatives, governance and reporting with reference to Global Reporting Initiative standards;
- advising on climate-related matters, including overseeing climate change reporting with reference to the Taskforce on Climate-related Financial Disclosures; and
- monitoring and updating on climate and sustainability reporting standards, including the implementation timeline for mandatory reporting and assurance.

All members of the Sustainability Committee including the Chair are independent.

## Nomination and Remuneration

The Nomination and Remuneration Committee assists the Board by ensuring that the Board is comprised of individuals who are best able to discharge the responsibility of Directors effectively and to add value, including the oversight of:

- Board composition and renewal;
- Board, Committee and Non-Executive Director performance;
- appointment and re-election of Directors;
- Board diversity;
- Director succession planning;
- development and succession of Executive Management;
- performance targets of Executive Management and recommendations of performance rights; and
- setting remuneration framework, incentives and equity-based plans and awards.

All members of the Nomination and Remuneration Committee including the Chair are independent.

## Board Focus Areas for the 2023 Financial Year

This year the activities of the Board (including with assistance from its Committees) included:

- monitoring the Group's safety performance and strategies to enhance safety and wellbeing awareness;
- overseeing the delivery of key strategic priorities by Management to ensure long term shareholder returns;
- guiding and supporting Management in relation to the Company's capital position, with a key focus on various capital management initiatives;
- oversight of management of current and emerging risks, including reviewing the risk management framework and setting the Company's risk appetite;
- forming a view of risk culture and overseeing the identification of and steps taken to address any desirable changes to risk culture;
- determining our dividend amount and timing of dividends to be paid;
- maintaining an ongoing dialogue with the Company's External Auditor;
- overseeing the development of New Acland Stage 3;
- ongoing consideration of Board and Board Committee composition;
- monitoring key environmental, social and governance (ESG) metrics;
- approving the Company's Climate and Global Energy Transition Statement and Enterprise Decarbonisation Framework
- providing oversight of the Group's technology strategy and implementation of key technology initiatives;
- approving remuneration arrangements and variable remuneration outcomes for the Executives and other employees;
- reviewing the processes in place to attract, develop, motivate and retain talent;
- overseeing the major upgrade of the Enterprise Resource Planning system;
- reviewing and approving the Company's Privacy Policy; and
- reviewing the Board and Committee Charters.

# Lay Solid Foundations for Management and Oversight

## Director Appointment, Re-election and Succession

When considering new appointments to the Board, suitable candidates are identified taking into account the Board skills model. Independent recruitment firms may be engaged to assist in searching for candidates.

Before appointing a Director, or putting someone forward for election as a Director, checks are undertaken with respect to the person's character and experience, academic qualifications, criminal record and bankruptcy history. This process took place prior to Lucia Stocker being appointed as a Director on 1 February 2023.

Each new Director receives a letter formalising, and outlining the key terms of, their appointment. Directorship appointment is subject to election by Shareholders at the next Annual General Meeting (AGM).

With the assistance of the Nomination Committee, the Board reviews Board succession on an ongoing basis and, in doing so, takes into consideration the mix of skills and experience on the Board, the performance of its Directors and diversity represented on the Board. In addition, the Nomination Committee regularly considers succession planning to ensure an orderly succession and renewal of the Directors.

Directors must submit themselves for re-election every three years and at least one Director must stand for election by shareholders at each AGM. Before recommending that shareholders re-elect a Director, the Board considers the performance of the Director and any other matters it considers relevant. When a Director is to be considered for election or re-election, shareholders are provided with all material information that is relevant to a decision on whether or not to elect or re-elect that Director.

## Board Review

The performance of the Board and its Committees is evaluated regularly. An internal review is conducted each year, including confidential evaluation questionnaires completed by Directors. Informal review mechanisms are also used, such as discussions with the Chairman and Committee Chairs respectively, and meeting feedback. The performance of individual Non-Executive Directors is also reviewed annually by way of an internal review. The internal review process generally involves the completion of a confidential evaluation questionnaire by other Board members or discussions with the Chairman.

The results of the review are discussed by the Chairman with the Director concerned. Evaluation results are provided to the Chair of the Nomination and Remuneration Committee for discussion with the Chairman. Regular informal discussions take place between individual Non-Executive Directors and the Chairman. During the 2023 financial year, an internal performance evaluation was undertaken consistent with the above processes.

## Executive Appointment and Reviews

The Company has a written agreement with each Executive setting out the terms of their appointment. As part of the Board's oversight of Executive Management, all New Hope Executives participate in an annual goal setting and performance review process.

Each Executive is assessed against a range of criteria as relevant to their role, including achievement of goals relating to financial performance, operational delivery, ESG, safety and wellbeing, and the delivery of strategic projects and initiatives. All Executives participated in a performance evaluation on this basis in relation to the 2023 financial year.

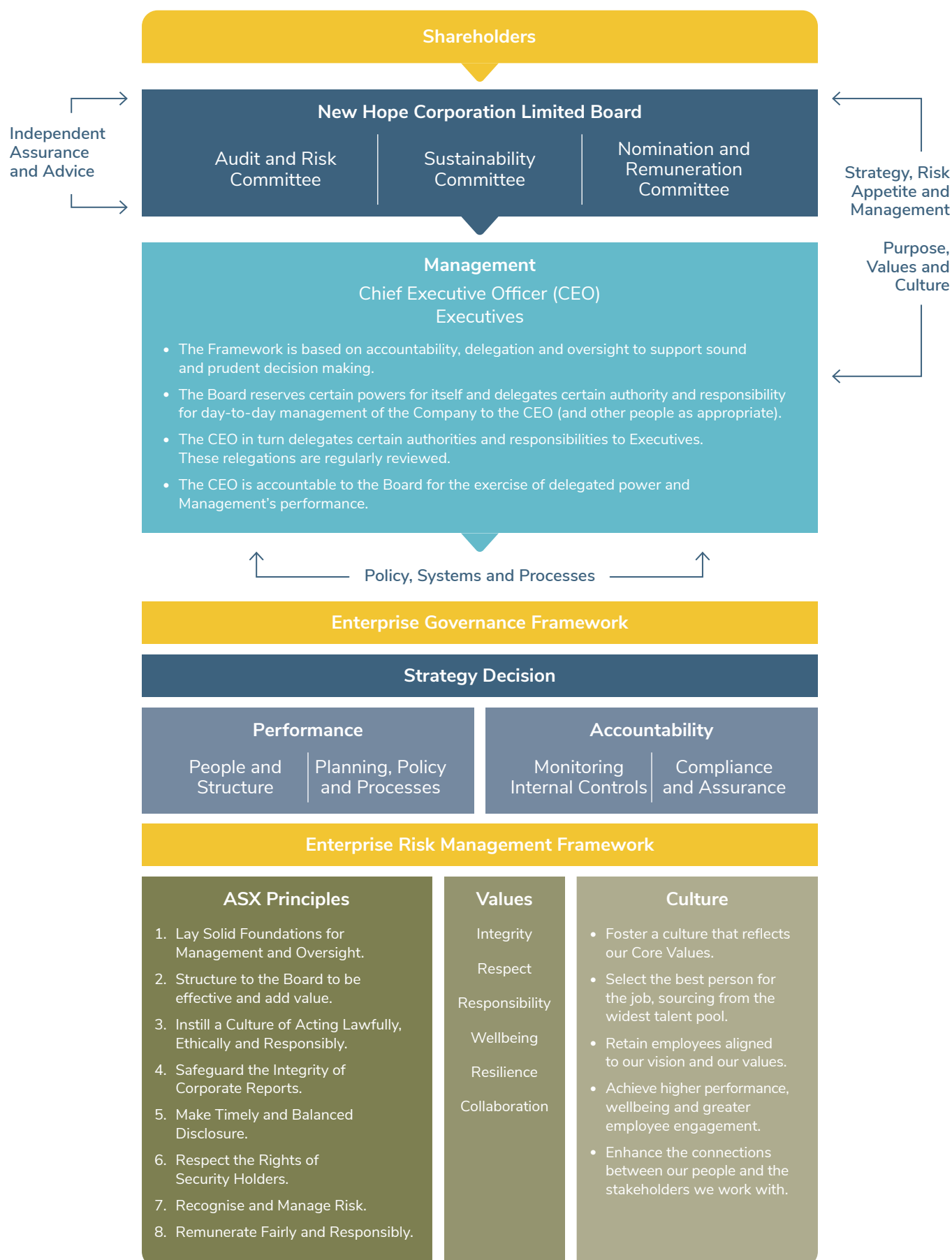
Prior to the appointment of any new Executive, New Hope carries out appropriate reference checks in respect of the candidate's character, experience, education, and criminal record history. This pre-appointment process step has been in place for the whole of the reporting period and will be utilised for any future appointments.

## Enterprise Governance Framework

The Company's Enterprise Governance Framework sets out the principal roles and responsibilities of the Board and Management. It establishes the framework and relative relationship of the policies, systems and processes for oversight and monitoring of strategy, performance, reporting, disclosure, remuneration, health and safety, risk management and stakeholder engagement. The following diagram outlines the Enterprise Governance Framework, including the current Committees of the Board.



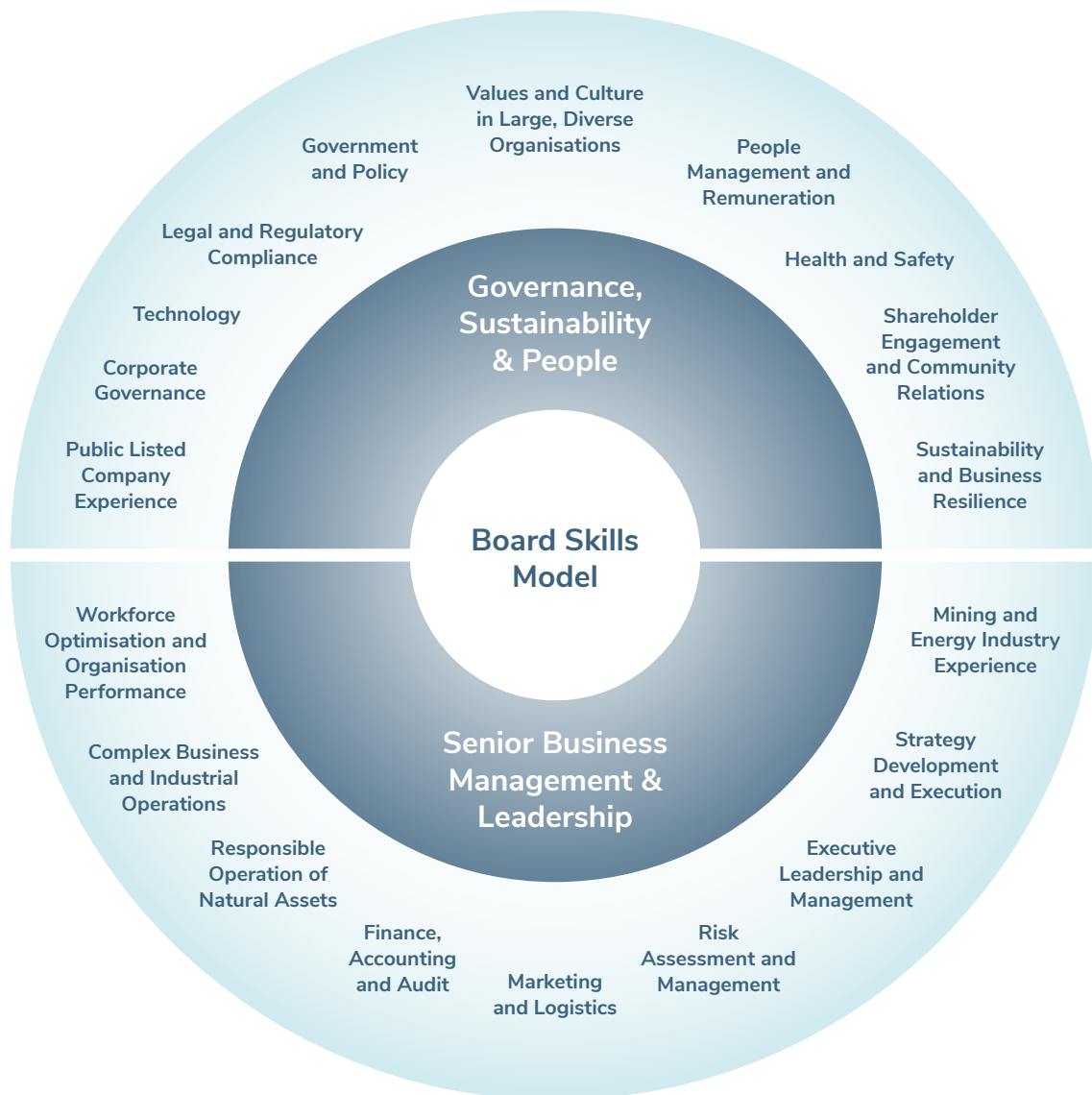
# Lay Solid Foundations for Management and Oversight<sup>continued</sup>



# Structure the Board to be Effective and Add Value

## Board Skills

The Board considers that the Directors bring an appropriate mix of skills, breadth and depth of knowledge and experience to fulfil the Board's role. Together, the Directors have a range of relevant skills, capabilities and knowledge, and the extensive experience necessary to guide the Company. Details of each Director's qualifications and experience are set out in the 2023 Annual Report. The below Board Skills Model sets out core skills and experience areas where Directors have high levels of competence arising from direct practice and experience in prior and/or current roles. The aggregate of these skills and capabilities enables the Board to discharge its responsibilities and deliver on the Company's purpose, vision and strategy.



# Structure the Board to be Effective and Add Value continued

## Director Independence

The Board's criteria for assessing director independence aligns broadly with the guidance provided in the ASX Principles and Recommendations. The Board considers that a Director is independent if the Director is a Non-Executive Director, has not been nominated by a substantial holder of the Company and is free of any interest, position, or business or other relationship that could materially interfere with the Director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company as a whole. The Board assesses the independence of each Director upon their appointment and annually thereafter. Directors are required on an ongoing basis to disclose to the Board relevant personal interests and conflicts of interest which may have an impact on their actual or perceived independence. Upon any such disclosure, a Director's independence is reassessed.

The Board has determined for the 2023 financial year that the following Non-Executive Directors were independent: Ian Williams, Jacqueline McGill AO, Lucia Stocker and Steven Boulton. The remaining three Non-Executive Directors (Todd Barlow, Tom Millner and the Chairman of the Board, Robert Millner AO) are not considered independent by the Board as they have been nominated by the Company's largest shareholder, Washington H. Soul Pattinson.

Since the appointment of Lucia Stocker on 1 February 2023, the Board has comprised a majority of independent Directors. Prior to that appointment, the Board comprised three independent and three non-independent Directors. While the Company's Constitution confers on the Chairman a second or casting vote if there is an equality of votes on a resolution before the Board or members in a general meeting, Robert Millner AO had undertaken to not exercise his casting vote when there is an equality of votes, with the result that such resolution will not be passed.

The Board acknowledges the recommendation of the ASX Corporate Governance Council that the role of Chair be carried out by an Independent Director. However, the Board believes that it is appropriate for Robert Millner AO to lead the Board due to his wealth of expertise and experience as Chairman. Furthermore, the Board's observation is that Robert Millner AO demonstrates objective judgement on all Board deliberations.

## Induction and Ongoing Professional Development Opportunities

Any new Director participates in an induction process co-ordinated by the Company Secretary. It includes briefings with Executives, other members of Management, subject matter experts, external auditor, visits to the Company's operations and the provision of information with regards to the Company's business, strategy, financial, risks and opportunity, operations, sustainability, technology, corporate governance and our macro environment.

Directors regularly visit the Company's operations to ensure they obtain a deep understanding of the Company's business, including the culture, community relationships and operational risks at each operational site. For example, in the 2023 financial year the Directors visited the Group's cornerstone asset, the Bengalla Mine, on two separate occasions. The Board also visited the Company's port and logistics operation, Queensland Bulk Handling, at the Port of Brisbane. At each operation visited, the Board received presentations from the site-based senior management team and conducted a tour of the operations, including participating in safety interactions.

The Nomination and Remuneration Committee periodically reviews whether it is necessary or desirable for existing Directors to undertake continuing training or professional development to maintain the skills and knowledge needed to perform their role as Directors effectively and to deal with new and emerging business and governance issues. Such training or briefing sessions may be delivered by Company personnel or external experts. There is an expectation that Directors will ensure that they are proactive in ensuring currency with legislation and governance standards.

The Board and Committees receive presentations and updates from Management and external experts, as well as written briefings, as to material developments in the industry, governance, law, sustainability, technology, accounting and reporting standards which are relevant to the Company and its operations.

## Access to Information and Independent Advice

All Directors have direct access to all relevant Company information and to the Company's Executives. Directors, the Board and the Committees also have access to independent legal, accounting or other professional advice as necessary, at the Company's expense.

# Diversity and Inclusion

## Diversity and Inclusion Statement

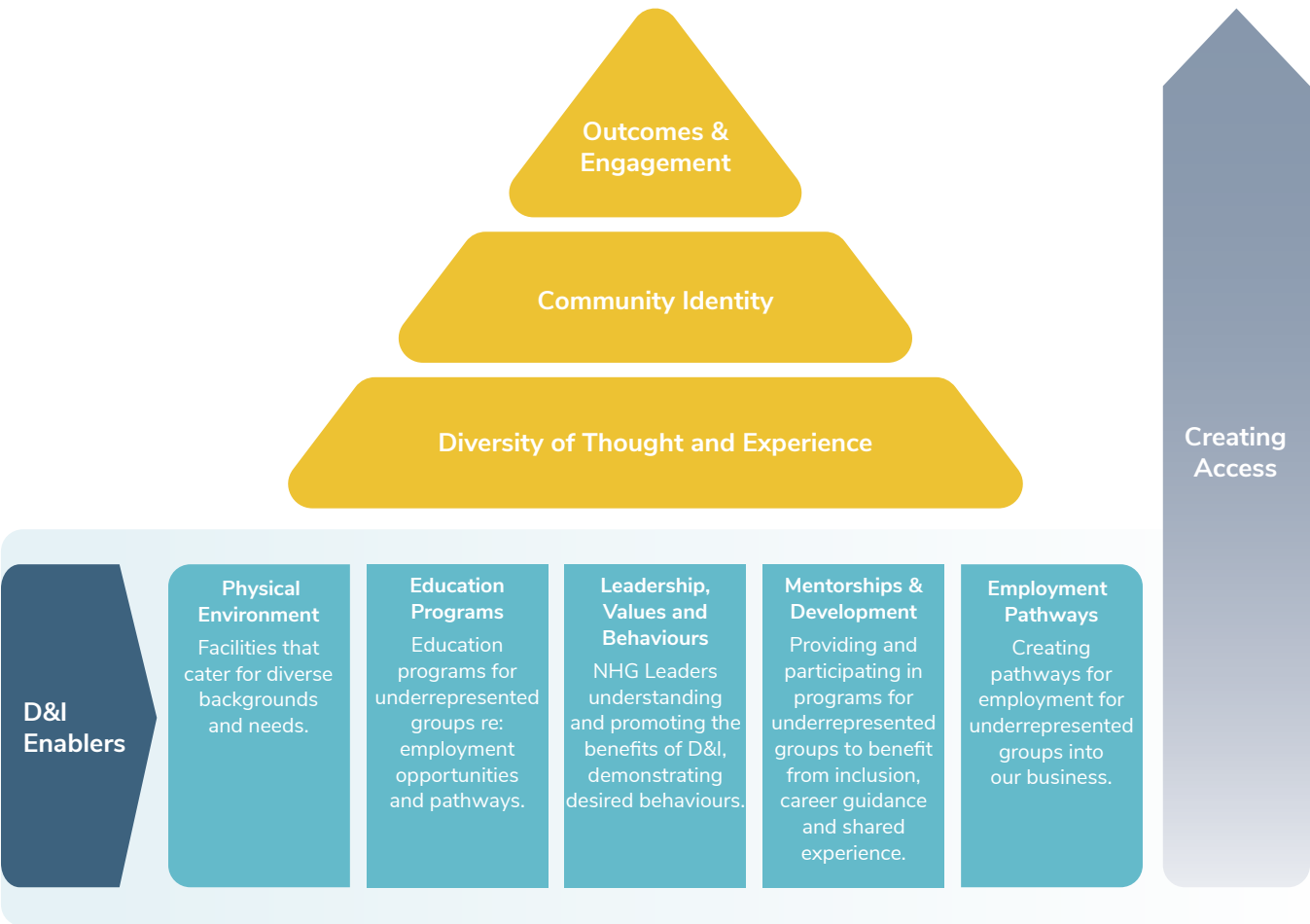
The Company aims to create a diverse and inclusive environment where everyone feels safe, valued and supported. The Company's Diversity and Inclusion Statement is available on the Company's website: <https://newhopegroup.com.au/wp-content/uploads/2022/09/Diversity-Inclusion-Statement-1.pdf>

## Role of the Sustainability Committee

The Sustainability Committee reviews the Company's policies and processes, and measurable objectives, in relation to diversity and inclusion and monitors the Company's progress towards achieving its measurable objectives.

## Diversity and Inclusion Framework

During the 2023 financial year, the Group developed and adopted a Diversity and Inclusion Framework. The Framework is intended to build upon the principles and statements in the Group's Diversity and Inclusion Statement, to assist us continue to mature our initiatives and practices to increase diversity in a multi-faceted way. A key component of the Framework are the Diversity and Inclusion Enablers. The Group considers that these are important foundations for creating an inclusive environment in which diverse peoples can feel supported and make a valuable contribution. The Framework is represented below.



During the 2023 financial year, the Group used the Framework to guide development of a First Nations engagement strategy for implementation at New Acland Stage 3. The strategy has been designed to enhance involvement and opportunity for First Nations people and Traditional Owner groups at New Acland, as well as provide opportunities to support the community more broadly. The key elements of the strategy include: education and training, employment, cultural heritage, land management partnerships, and community and wellbeing. Plans and actions are being developed and implemented for each element. Details regarding the Group's First Nations engagement initiatives undertaken during the year are set out in the 2023 Sustainability Report.

## Gender Diversity

Details regarding the Group's overall workforce gender statistics are contained in the Company's Workplace Gender Equality Agency (WGEA) Report for 2022-23 available on the Company's website: <https://newhopegroup.com.au/wp-content/uploads/2023/09/Combined-WGEA-22-23-Compliance-Report.pdf>

Key workforce gender composition statistics are set out below.

Indicator	As at 31 July 2023	
	Female	Male
Board	2 (28%)	5 (72%)
Executives	1 (33.3%)	2 (66.7%)
Senior Management	1 (10%)	9 (90%)
Management	19 (28%)	48 (72%)
Frontline Employees	129 (16%)	699 (84%)

Note: Excludes site-based contractors.

## Board Diversity

The Board acknowledges the recommendation of the ASX Corporate Governance Council that the measurable objective for gender diversity in the composition of a board of an ASX300 company should be to have not less than 30% of its directors of each gender within a specified period. The Company is a member of the ASX200 and, at 28% female and 78% male, the Board is slightly below the recommended target. The Board is presently comprised of highly qualified directors with a diverse range of relevant skills and experience and the size of the Board is appropriate for the size of the Company. The Board does not intend to increase the size of the Board nor seek to change composition given that the current Directors bring an appropriate mix of skills, breadth and depth of knowledge and experience to fulfil the Board's role. The Board will consider gender diversity objectives, together with other relevant objectives concerning desired skills, capabilities, knowledge and experience for future appointments.

## Workforce diversity

During the 2022 financial year, in anticipation that growth and expansion within the Group would lead to increased recruitment, the Sustainability Committee set a gender diversity target for recruiting new employees of 40% male:40% female:20% any gender (40:40:20). This target applies to all hires across the Group, including the Board and Executives. During the 2023 financial year, the Group implemented initiatives and practices to support the 40:40:20 target such as educating persons involved in recruitment activity in unconscious bias, and establishing regular recruitment reports which include gender diversity statistics (and other diversity statistics more broadly) to assist with monitoring of recruitment process, actions and outcomes.

Recruitment during the 2023 financial year was 21% female and 79% male, a result influenced significantly by New Acland Stage 3 recruitment outcomes. Many former New Acland employees who were made redundant when the Stage 2 operation went into care and maintenance during 2021 responded to the expression of interest for roles at New Acland Stage 3. Due to a desire to return operational knowledge and experience to the workforce, as well as to provide employment opportunities to locally-based candidates, the initial workforce intakes have been almost exclusively returning former employees. As the former New Acland workforce was predominantly male, this has impacted recruitment outcomes resulting in limited progress during the 2023 financial year towards the gender diversity recruitment target.

The Group remains committed to implementing and monitoring initiatives and practices to support the 40:40:20 target for recruitment.



# Instill a Culture of Acting Lawfully, Ethically and Responsibly

## Code of Conduct

The Company is committed to ethical, responsible and lawful conduct in decision-making and ways of working. The Board seeks to foster a culture of effective working relationships and working environment for all those who work for or engage with the Group. The Board has adopted a Code of Conduct which is based on the Company's core values and sets out the expected standards of behaviour of our Board, Executives and the broader workforce. It helps to ensure the appropriate degree of integrity in the Company's dealings and supports behaviour that aligns to our vision. Company personnel and contractors are trained in the core values and expected behaviour under the Code. The Board has responsibility for overseeing and monitoring the receipt of information regarding material breaches of the Code of Conduct. The Code of Conduct is available on the Company's website: <https://newhopegroup.com.au/wp-content/uploads/2022/03/POLICY-Code-of-Conduct.pdf>.

## Dealings in Company securities

The Company has adopted a Securities Trading Policy to assist Directors and certain employees (and their associates) to comply with their obligations under the insider trading prohibitions of the Corporations Act 2001 (Cth) and to protect the reputation of the Company, its Directors and employees. Specifically, the Company's Securities Trading Policy prohibits trading in Company securities by certain personnel except during specific trading windows and with written consent. In addition to guidance on inside information and dealing in our securities, the Policy prohibits our Directors and certain employees from entering into margin lending or other secured financing arrangements, short-term trading in, or "short-selling", our securities, or entering into any hedging arrangement that limits the economic risk of securities or entitlements to acquire our securities (such as options or share rights) including hedging or similar arrangements. The Trading in Company Securities Policy is available on the Company's website: <https://newhopegroup.com.au/wp-content/uploads/2022/07/20220728-NHCL-Policy-Trading-in-Company-Securities-Final.pdf>

## Anti-bribery and corruption

The Company has zero tolerance for any form of bribery or corruption and expects the same standard from personnel and business associates. The Anti-Bribery and Corruption Policy, applies to any Director, officer, or employee of the Company as well as any agent or other person who performs a role as a representative of the Company. The Company is committed to the highest standards of conduct and ethical behaviour in all business activities. The Board has responsibility for overseeing and monitoring the receipt of information regarding material breaches of the Anti-Bribery and Corruption Policy. The Anti-Bribery and Corruption Policy is available on the Company Website: <https://newhopegroup.com.au/wp-content/uploads/2022/09/Anti-Bribery-and-Corruption-Policy.pdf>

## Speak Up

The Company values speaking up and aims to promote a workplace in which everyone feels safe, supported and encouraged to speak up. The Company has a 'Speak Up' - Whistleblower Policy in place which provides a confidential, anonymous and independent process for employees and non-employees covered by the Policy to raise concerns. It offers a mechanism to encourage employees, contractors, exemployees, officers, suppliers and relatives of those people to report concerns of unethical, illegal or any other inappropriate behaviour and to receive protection from negative consequences that could otherwise result from their actions. The Board has responsibility for overseeing and monitoring the receipt of information regarding material breaches of the Speak Up – Whistleblower Policy. The 'Speak Up' - Whistleblower Policy is available on the Company's website: <https://newhopegroup.stoplilereport.com/>

# Make Timely and Balanced Disclosure

## Market disclosure

The Company recognises the importance of keeping the market fully informed of the Company's activities and of effective communication with its stakeholders. The Board has adopted a Continuous Disclosure Policy, which has established procedures designed to ensure compliance with ASX Listing Rules and the Corporations Act disclosure requirements. Where practicable, the Board approves all material ASX announcements before they are lodged with the ASX and receives copies of all announcements as soon as possible after they have been released by the ASX. The Continuous Disclosure Policy is available on the Company's website: <https://newhopegroup.com.au/wp-content/uploads/2023/02/Continuous-Disclosure-Policy-.pdf>

## CEO and CFO certification

The Board receives regular reports on the Company's financial and operating results. The Board approves each of the Company's half and full year financial statements. Prior to approving the financial statements in respect of each half and full year financial period, the CEO and CFO give a declaration to the Board that:

- in their opinion, the financial statements comply with the Australian Accounting Standards and applicable regulations and give a true and fair view of the Company's financial position and performance;
- in their opinion, the financial records of the Company have been properly maintained; and
- the opinions noted above regarding the integrity of the financial statements have been based on a sound system of risk management and internal compliance and control which is operating effectively.

The CEO and the CFO gave this declaration to the Board for the half year ended 31 January 2023, and the full year ended 31 July 2023.

## Verification of periodic corporate reports

The Company is committed to providing shareholders and other external stakeholders with timely, accurate and balanced corporate reports. The Company has a Continuous Disclosure Policy for ensuring continuous disclosure under the ASX Listing Rules. Management has developed practices and guidance material intended to ensure that periodic corporate reports are accurate and based on reliable sources of information, and provide clear, concise and effective disclosure, in accordance with the Policy. The process for verifying the integrity of periodic corporate reports that are not subject to audit or review by an external auditor is as follows:

1. Reports are prepared by, or under the supervision of, subject-matter experts.
2. Reports are reviewed for material accuracy and that stated opinions and assumptions are reasonable.
3. Information in a report that relates to financial projections, statements as to future financial performance or changes to the policy or strategy of the Company (taken as a whole) must be approved by the Board.

This process is intended to ensure that all applicable laws, regulations and company policies have been complied with, and that appropriate approvals are obtained before a report is released to the market.

## External auditor engagement

The Audit and Risk Committee is responsible for the selection, evaluation, compensation and, where appropriate, replacement and appointment of the external auditor, subject to shareholder approval where required. The Company's current external auditor is Deloitte Touche Tohmatsu (Deloitte). A tender process was last completed in relation to the role of the external auditor in 2019. The performance of the external auditor is reviewed annually.

The Audit and Risk Committee reviews Deloitte's performance in the areas of company knowledge, quality of team, coverage ability (ability to cover all Company locations and activities), industry knowledge, cost and audit methodology, which the Company believes are the critical elements of service delivery. The Audit and Risk Committee meets with the external auditor throughout the year to review the adequacy of the existing external audit arrangements, with particular emphasis on the effectiveness, performance and independence of the auditor. The Committee also meets with the external auditor without the presence of Management following most meetings.

The Audit and Risk Committee receives assurances from the external auditor that they meet all applicable independence requirements in accordance with the Corporations Act 2001 (Cth), and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards). This independence declaration forms part of the Directors' Report.

The external auditor attends the AGM and is available to answer shareholder questions regarding aspects of the external audit and their report.

Details of the services provided by Deloitte to the Company, and the fees paid or due and payable for those services are referred to in the Directors' Report and set out in the Financial Report in the 2023 Annual Report. External auditor fees are set an appropriate level and monitored to ensure auditor independence.

## Make Timely and Balanced Disclosure continued

### Internal Audit

The Internal Audit function provides independent and objective assurance on the adequacy and effectiveness of internal controls and governance systems. In the 2022 financial year, BDO was appointed as the Internal Audit Provider, to provide internal audit and assurance services over a three year term on a whole of business basis.

The Internal Audit Co-ordinators are the CFO and Chairman of the Audit and Risk Committee. The Audit and Risk Committee approves the annual Internal Audit Plan and receives reports from the Internal Audit Provider concerning the effectiveness of internal control and risk management. The Audit and Risk Committee members have access to the Internal Audit Provider without the presence of other Management. The Internal Audit Co-ordinators and the Internal Audit Provider have full access to all functions, records, property, and personnel of the Group.

The annual Internal Audit Plan is risk-based, meaning that higher risk activities are prioritised in the Plan and examined accordingly. A status report on the execution of the Plan, including current findings and actions, is regularly provided to the Audit and Risk Committee during the year. All material findings are reported to the Board. Corrective actions are monitored, reviewed, and reported to the Audit and Risk Committee by the CFO and the EGM and Company Secretary.

### Sustainability reporting

Sustainability is an important part of the Company's vision to develop successful mining operations through balancing economic prosperity, environmental quality, and social responsibility.

The Sustainability Committee oversees, monitors and reviews the Company's practices and governance in the area of sustainability, environment, climate change, social performance and human rights and security. The Charter for the Committee is available on the Company's website: <https://newhopegroup.com.au/wp-content/uploads/2023/07/Sustainability-Committee-Charter-June-2023.pdf>

The Company reports on its sustainability approach and progress in its 2023 Sustainability Report, which is supplemented by information published on the Company's website at <https://newhopegroup.com.au/sustainability/>

The Company's sustainability reporting is prepared with reference to Global Reporting Initiative (GRI) standards and the Taskforce on Climate-related Financial Disclosures (TCFD). Information about how we address each applicable disclosure, including detail on prior periods, is contained within our GRI and TCFD references tables at <https://newhopegroup.com.au/sustainability/>. The review process of the Sustainability Report is aligned to the process for periodic corporate reports outlined above.

## Respect the Rights of Shareholders

The investor section of the Company's website provides ready access to notices of meeting, annual reports, Company announcements made to the ASX, the Board and Management, and other information about the Company and its governance. Our AGM gives our shareholders the opportunity to receive a performance update directly from our Board, to exercise their voting rights and to ask questions. All of our Directors and the Management team attend the AGM. Our external auditor also attends and is available to answer any questions relating to the audit. All substantive resolutions at the Company's meetings of security holders are decided by a poll rather than a show of hands. Shareholders are able to receive communication from, and send communications to, the Company and its share registry electronically via email.

The Company has an investor relations program in place, which includes scheduled and ad hoc briefings with analysts, investors and other stakeholders, including some briefings on a one-on-one basis. All new and substantive investor and analyst presentation materials are lodged with the ASX and published on the Company's website prior to a briefing.

# Recognise and Manage Risk

The Group Risk Management Framework (RMF) is key to the Company's integrated and consistent approach to risk management, and supports the achievement of strategic and operational objectives by identifying and managing threats, and realising potential opportunities, guided by relevant appetite.

Our RMF is overseen by the Audit and Risk Committee, the Sustainability Committee and the Board. It describes our approach to identifying, analysing, managing and reporting on material risks (including environmental and social risks) impacting our Company and clearly sets out risk management roles and responsibilities. A summary of these material risks and their mitigations is set out at in the 2023 Annual Report at pages 53–58. Further information about our environmental and social risks, our approach to managing them, and our sustainability performance is available in our 2023 Sustainability Report included with our Annual Report.

Oversight of the material risks facing the Company has been allocated between the Audit and Risk Committee and the Sustainability Committee. The Audit and Risk Committee oversees responsibilities relating to:

- the system of internal control and management of financial risk, including the risk of fraud;
- tax risk, compliance, and governance processes;
- processes for monitoring compliance with laws and regulations and the Company's Code of Conduct;
- processes for recognising, managing and monitoring risks associated with the Company's operations and conduct of its business activities; and
- setting the risk appetite per strategic priority area of the Group and documenting it in a Risk Appetite Statement.

At least annually, and in conjunction with the Sustainability Committee, and in consultation with relevant Company Executives and responsible employees, the Audit and Risk Committee reviews the Company's risk register and RMF and agrees the allocation of responsibility by respective committee per identified risk. In addition, the Audit and Risk Committee periodically reviews (and provides recommendations to the Board for the approval of) the Company's risk profile and the risk appetite.

The Sustainability Committee advises the Audit and Risk Committee of the risk matters that could affect the Company's risk appetite and compliance processes in relation to people, safety and wellbeing, environment and climate risk matters.

Under the direction and leadership of the CEO, the Executive team is responsible for overseeing the assessment and management of enterprise-wide risks and leading and supporting the development of a risk-aware culture.

To ensure our RMF is executed effectively, an annual risk management workplan is developed with progress monitored by the Audit and Risk Committee.

To effectively embed risk management in our Company and culture, risk management is considered a part of our everyday activities and is key to supporting informed decision across all levels of the Company. It is integrated with relevant business processes such as strategic and business planning, operational frameworks, environment management, responding to climate change, project management and budget setting.

The following principles are applied to embed risk into the Group's business model:





## Recognise and Manage Risk continued

Risk management reporting occurs at quarterly Audit and Risk Committee and Sustainability Committee meetings to ensure appropriate oversight of material risks and internal controls, to assess whether the Company is operating within approved risk appetite and tolerance limits, and to support the Board in fulfilling its risk management responsibilities. Material risks are reported to the Board regularly during the annual cycle, along with the Audit and Risk Committee's assessment of the effectiveness and suitability of the Company's RMF, and management's performance against RMF requirements.

When setting risk appetite and actions to maintain and enhance risk culture, the RMF requires the Company to consider wide-ranging risk types including strategic and macro, new and emerging, operational, commercial, sustainability, environment, climate change and cyber risks as depicted in the diagram below:



During the 2023 financial year, the Company achieved the following in relation to risk management:

- Enhanced our RMF through benchmarking against various examples of industry and peer good practice
- Redefined our risk appetite statement in the context of our strategic priorities
- Integrated risk appetite with risk profile reporting
- Conducted strategic, corporate, operational, and major project risk assessment updates
- Conducted detailed assessment of material climate change risks impacting the Company over the short, medium and long term
- Enhanced our approach to risk management reporting throughout the Company
- The Audit and Risk Committee reviewed the RMF in relation to the reporting period and satisfied itself that it continues to be sound and that the Company is operating within the Board approved risk appetite.

We are committed to continuously improving our approach to risk management and using the Framework to support decision making and prioritise our focus on the things that matter most.

# Remunerate Fairly and Responsibly

## Remuneration of Non-Executive Directors

Remuneration of Non-Executive Directors is fixed and no component is variable or 'at-risk'. Remuneration is benchmarked against peer companies and is set at a level to attract and retain Non-Executive Directors of a high standard.

Remuneration levels and trends are periodically assessed by the Nomination and Remuneration Committee, with the assistance of professional independent remuneration consultants as required. Non-Executive Director fees are adjusted where considered appropriate to reflect changing workloads, and to align with Board remuneration levels in comparable Australian-listed companies to assist with attracting and retaining a high calibre of Non-Executive Directors.

## Remuneration of Executives

The Company recognises the different levels of contribution within management to the short-term and long-term success of the Company. A significant proportion of each Executive's and senior manager's remuneration is placed 'at risk', and is dependent on both individual and Company performance, which is formally assessed each year. Performance objectives are intended to encourage the pursuit of growth and success of the Company without rewarding conduct that is contrary to the Company's values or approved risk appetite. In addition, the long-term incentive is delivered in equity to increase alignment between Executives and senior managers, and shareholders.

Details of the Company's remuneration policies and practices in relation to Directors and Executives are set out in the Remuneration Report included in the 2023 Annual Report at pages 64–79.

