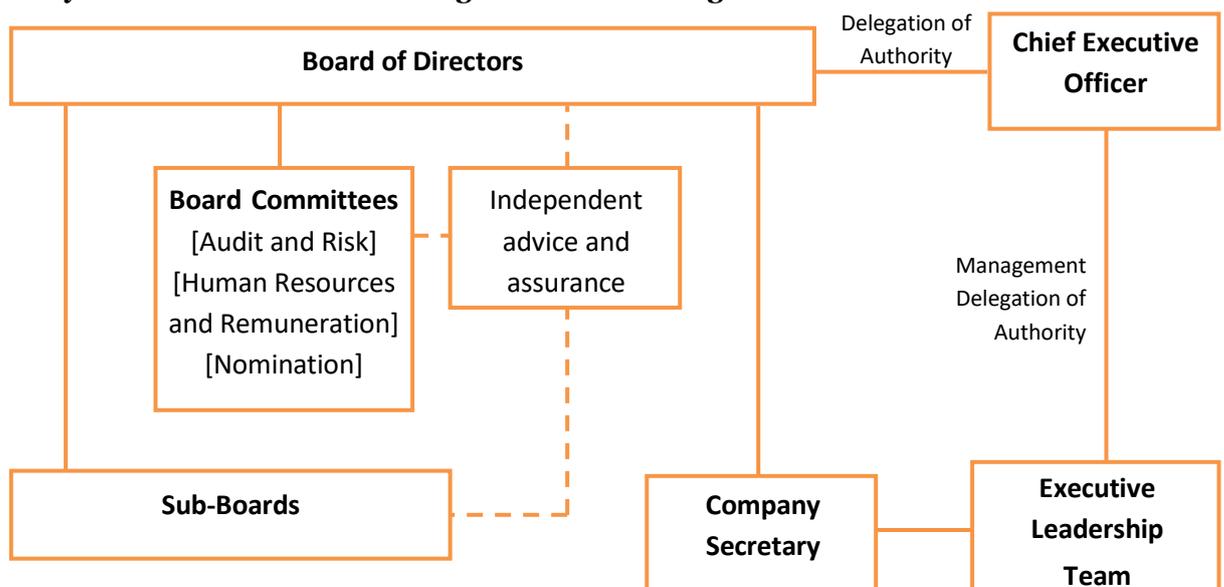




# Corporate Governance Statement 2020

This Corporate Governance Statement has been summarised into sections in line with the eight core corporate governance principles as specified in the Australian Securities Exchange (ASX) Corporate Governance Council's 4th Edition of the Corporate Governance Principles and Recommendations. This Corporate Governance Statement is current as at 22 September 2020 and has been approved by the Board.

## 1. Lay solid foundations for management and oversight



1.1 The primary objective of the New Hope Board is to provide strategic guidance and oversight of management. The Board is ultimately responsible for, and has authority over, management of New Hope and its controlled entities. The Board has delegated to the Chief Executive Officer the authority over the day to day management of the Company, its subsidiaries and their respective operations.

The Board Charter, which is accessible via our website at:

[www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance), details the powers specifically reserved for the Board and authority that is delegated to the Chief Executive Officer.

- 1.2 Prior to appointment to the New Hope Board, appropriate checks on experience and background are completed either in-house or via the use of external consultants. Security holders are provided details of material information regarding Directors prior to the Annual General Meeting (**AGM**) in the Annual Report and the Notice of Meeting for the AGM, a copy of which can be found at: [www.newhopegroup.com.au/content/investors/asx-announcements](http://www.newhopegroup.com.au/content/investors/asx-announcements).
- 1.3 Every Director and Senior Executive at New Hope has received a written agreement upon their appointment detailing the key terms of their appointment.
- 1.4 The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for advising the Board and its Committees on governance matters and the co-ordination of all Board business, including agendas, board papers, minutes, communication with the ASX and all statutory and other filings. All Directors have direct access to the services and advice of the Company Secretary. Details of the skills, experience and expertise of the Company Secretary are set out in the Annual Report.
- 1.5 New Hope's Diversity and Inclusion Policy Statement is accessible via our website at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance). The Company has elected not to set measurable objectives towards achieving gender diversity. Instead, the Company has focused on fostering a workplace where employees feel that they are a valued member of the organisation; that they are treated fairly and that inappropriate behaviour does not take place. The Company is also committed to ensuring that employees and all other individuals involved in its operations are provided with equal opportunity in all aspects of recruitment, selection and employment.

The following table shows the proportion of females employed by the Company as at 31 July 2020:

Role	Number of Female	Number of Male	Total	Female Percentage
<b>Company Directors</b>	1	6	7	14%
<b>Senior Executives</b>	2	5	7	29%
<b>All Employees (Excluding Directors and Senior Executives)</b>	143	714	857	17%

Company Directors for the purposes of these figures are directors of New Hope Corporation Limited and excludes directors of any of its subsidiaries. Senior Executives for the purposes of these figures are those employees (excluding Company Directors) who are part of the Executive Leadership Team. For details on the Directors and the Executive Leadership Team see: <http://www.newhopegroup.com.au/content/about/leadership>.

A full copy of the Company's Workplace Gender Equality Agency (**WGEA**) report for the period 1 April 2019 to 31 March 2020 can be viewed via our website at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).

- 1.6 The efficiency, effectiveness and operations of the Board are continuously subjected to informal monitoring by the Company Secretary, the Nomination Committee and the Board. The performance of non-executive Directors is reviewed by the Nomination Committee members with any unsatisfactory performance referred to the remainder of the Board. This review was undertaken for the period ended 31 July 2020.

Board members participate in a formal survey to evaluate the efficiency, effectiveness and operations of the Board and the performance of Directors, the Board and its committees when requested by the Nomination Committee. Due to Senior Executive and Board membership changes during the reporting period it was resolved that a formal survey would not be undertaken for the period ended 31 July 2020. Informal feedback from all non-Executive Directors was instead considered by the Nomination Committee and the Board.

- 1.7 The performance of the Executive Leadership Team for the period ended 31 July 2020 was reviewed by the Human Resources and Remuneration Committee (**HRRC**) in accordance with Key Performance Indicators for Short Term and Long Term Incentives. Detailed disclosures of this process forms part of the Remuneration Report in New Hope's Annual Financial Statements.

## 2. Structure the Board to be effective and add value

- 2.1 The Nomination Committee consists of three Directors, two of which are considered independent. The Chairman of the Nomination Committee, Mr T. J. Barlow, is not considered an independent Director, however he brings experience and knowledge to the position and will act in the best interests of the Company. The charter for the Nomination Committee is published on our website:

[www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).

The members of the Nomination Committee are:

Mr T.J. Barlow (Chairman)  
Mr W.H. Grant  
Mr I.M Williams

The number of Nomination Committee meetings and attendances can be found in New Hope's Annual Financial Statements.

- 2.2 The Board of Directors has approved a Board Skills Matrix which identifies the skills, experience and capabilities required by the Board. The Board Skills Matrix is used for succession planning, professional development and in assessing the Board's effectiveness. The Board Skills Matrix is reviewed annually, and a review has been undertaken by the Nomination Committee. The current structure and membership of the Board is seen as appropriate given the skill set required by the Company.

The following table provides a summary of the Board Skills Matrix covering all Directors as at the date of this Statement:

Leadership and Governance	Technical and Operations	Business, Finance and Risk
Publicly Listed Company Experience	Resources and Energy Industry Experience	Legal and Regulatory Compliance
Leadership	Human Resources	Finance, Accounting and Audit
Strategy	Government/Policy	Risk management
Corporate Governance	Health, safety and environment	Capital Markets/ Mergers & Acquisitions

- 2.3 There are currently three Directors on the New Hope Board that are considered independent. These are:  
Mr W.H Grant  
Mr I.M. Williams  
Ms J.E. McGill AO
- 2.4 The New Hope Board does not consist of a majority of independent Directors. All Directors, whether they are considered independent or not, are expected to bring their independent views and judgement to the Board and act in the best interests of the Company. The Board considers that due to the extensive experience and knowledge that the current Directors have of the business, it would be contrary to shareholders' best interests if the Directors were precluded from holding the position of Director on these grounds.
- 2.5 The roles of Chairman and Chief Executive Officer are separate on the New Hope Board. The Chairman, Mr R.D. Millner, is not considered independent. Given the experience and knowledge Mr Millner brings to the position, the Board believes it is in the best interests the Company to maintain a non-independent Chairman.
- 2.6 Induction of new Directors is conducted upon commencement with the New Hope Board. The General Counsel and Company Secretary provides regular updates and briefing to Directors on key legal and governance changes. The Chief Financial Officer provides regular updates on any changes in financial reporting requirements and Accounting Standards. The Nomination Committee assesses whether the Directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues. Professional development is considered for any gaps identified. It is the responsibility of the Directors on the New Hope Board to ensure their skills and knowledge remains appropriate, and the Company supports them in maintaining those skills.

### **3. Instil a culture of acting lawfully, ethically and responsibly**

- 3.1 Our business objectives are supported through our Vision (to energise our people, communities and customers) and the following Values:

**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.

Further details are available on our website at:

<http://www.newhopegroup.com.au/content/about/vision-and-values>

All employees receive appropriate training on the Values. The Senior Executives reference and reinforce these Values in their interactions with staff.

- 3.2 The Company has an established Code of Conduct dealing with matters of integrity and ethical standards. All Directors, executives and employees are expected to abide by the code of conduct, and to bring to the attention of senior management or the Board instances contrary to the Code of Conduct. Appropriate and proportionate disciplinary action is taken against those who breach it. The code can be found on our website: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).
- 3.3 New Hope is committed to the highest standards of conduct and ethical behavior in all of its business activities. The Board has approved a 'Speak Up' Policy (Whistleblower Policy) to encourage the reporting of potential misconduct. The policy applies to all current and former officers, employees, associates and suppliers (including the supplier's employees) which also includes the relatives, dependents and spouses of these people. The Audit and Risk Committee (ARC) and the Board is informed of any material incidents reported under the policy. The policy can be found at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).
- 3.4 The Company has adopted an anti-bribery and corruption policy. The Company has zero tolerance for bribery and corruption and expects the same standard from its personnel, suppliers, contractors, joint venturers and other business partners. The policy can be found at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).

#### **4. Safeguard the integrity of corporate reports**

- 4.1 The ARC consists of four Directors, three of which are considered independent, and is chaired by an independent Director. The charter for the ARC is published on our website: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).

The members of the ARC are:

Mr I.M. Williams (Chairman)  
Mr W.H. Grant  
Mr T.J. Barlow  
Ms J.E. McGill AO

The experience of the individual members and the number of ARC meetings, including attendance, can be found in New Hope's Annual Financial Statements.

- 4.2 The New Hope Boards' process for approving its Financial Statements includes a requirement for the Chief Executive Officer and the Chief Financial Officer to provide a declaration to the Board that:
- The financial records of the Company have been properly maintained;
  - The financial statements and notes for the financial year comply with the Accounting Standards and give a true and fair view of the financial position and performance of the Company; and
  - Their opinion is formed on the basis of a sound system of risk management and internal control which is operating effectively.

- 4.3 The Board is committed to providing clear, concise and effective disclosure to shareholders and other stakeholders in its corporate reports. If the Company's auditor has not been required to review a periodic corporate report, the appropriate Senior Executives conduct an internal verification exercise (with assistance from third party professional services firms where appropriate) to ensure that such reports are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions. Material statements in these documents are verified by the Senior Executives and other senior personnel from the relevant business unit prior to Board approval for release to the market.

## **5. Make timely and balanced disclosure**

- 5.1 New Hope has a policy for ensuring continuous disclosure under the ASX Listing Rules, and a copy of this policy can be found on our website at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).
- 5.2 The Company Secretary provides the Board with copies of all material ASX announcements promptly after they have been disclosed to and released by the ASX.
- 5.3 Presentation materials for any new or substantive investor or analyst presentation is released on the ASX Market Announcements Platform ahead of the presentation, including the full year and half year results presentations to analysts and the AGM presentation to shareholders.

## **6. Respect the rights of security holders**

- 6.1 Information regarding the Company (including its Directors, Senior Executives and business operations), ASX Announcements and key areas of Corporate Governance can be accessed via our website at [www.newhopegroup.com.au](http://www.newhopegroup.com.au). A landing page where relevant corporate governance information can be accessed can be found at this link: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).
- 6.2 New Hope actively engages with investors. Time is allocated for key executives to be available to ensure communication with investors is appropriate and effective in disseminating the business goals of New Hope. New Hope seeks to understand any concerns investors may have and to ensure these are fed back to the appropriate area within the business.
- 6.3 The AGM is the key meeting with security holders each year, and time is specifically set aside to answer any questions security holders may have of the New Hope Board. An opportunity is also given to provide questions or comments ahead of the AGM. Senior Executives attend the AGM to allow one on one discussion with security holders, within the boundaries of the Company's Continuous Disclosure obligations. The External Auditor for New Hope is required to attend the AGM and be available to answer questions as part of their engagement with New Hope.
- 6.4 The Board has resolved that all substantive resolutions at a meeting of security holders will be decided by a poll rather than by a show of hands.
- 6.5 New Hope and its security registry encourage the use of electronic communications. Any shareholder enquiries can be sent to: [cosec@newhopegroup.com.au](mailto:cosec@newhopegroup.com.au) or to the Company's share registry, Computershare through the Investor Centre at <https://www.computershare.com/au>.

## **7. Recognise and manage risk**

- 7.1 The ARC oversees the risk management for New Hope. Details of the ARC are set out in paragraph 4.1 above.
- 7.2 The ARC historically has undertaken reviews of the risk management framework annually or more often as circumstances dictate. The review of the risk management framework has been completed this year.
- 7.3 New Hope has an established Internal Audit function that reports directly to the Chairman of the ARC. The role is structured to determine key areas of risk within the Company's operations and review controls and the effectiveness of these controls. Areas of focus are determined in conjunction with the ARC and any findings shared with our external auditor.
- 7.4 The Company has exposure to a number of environmental and social risks that have been identified through the Company's risk management processes. The Company publishes an annual Sustainability Report which includes information about how the Company manages environmental and social risks. A copy is available at: <http://www.newhopegroup.com.au/content/investors/sustainability-reports>

Management of these risks is via the Company's risk management processes, which includes detailed risk action plans on each material risk; as well as periodic monitoring and reassessment of risk. The risk action plans flow into the development of the Company's strategy as well as day to day operations to ensure these risks are proactively managed.

## **8. Remunerate fairly and responsibly**

- 8.1 The HRRC consists of four Directors, three of which are considered independent, and is chaired by an independent Director. The charter for the HRRC is published at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).

The members of the HRRC are:

Mr W.H. Grant (Chairman)  
Mr I.M. Williams  
Mr T.J. Barlow  
Ms J.E. McGill AO

The number of HRRC meetings and attendances can be found in New Hope's Annual Financial Statements.

- 8.2 Non-executive Directors' fees are reviewed annually after taking into consideration the Company's performance, market rates and level of responsibility. The aggregate amount of fees which may be paid to non-executive Directors is subject to the approval of shareholders at the Annual General Meeting and is currently set at \$1,750,000 (2018: \$1,750,000) per annum.

Remuneration of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Chief Development Officer are disclosed in the Remuneration Report within New Hope's Annual Financial Statements. The levels of remuneration are reviewed annually by the HRRC, taking into consideration the Company's performance, market rates and levels of responsibility. The HRRC makes a recommendation to the Board with any adjustments subject to approval by the Board.

Other Senior Executives are reviewed annually by the HRRC based on market rates. Remuneration for other Senior Executives consists of fixed salary, an annual performance based cash bonus and long term incentives by way of performance rights.

- 8.3 The Company's Trading in Company Securities Policy has been disclosed to the market and is on New Hope's website at:  
[www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).