

We are committed to providing responsive, effective and highly valued internal audit services to provide assurance over the Material Risks of the organisation. We also provide advice to Management, the Board and Committees in order to assist them in enhancing the performance and governance of the organisation.



**Integrity
and honesty**

Role / Scope of work

The specific authorisation to perform the work under this Policy is the Internal Audit Plan that is approved by the Audit and Risk Committee annually. The scope of work contained in the plan will be based on Management's assessment of residual risks and the significance of these risks. Coverage should focus on Material Risks that are the most strategic and significant to the organisation.

Internal Audit reviews work with Management, and reports to the Board and Committees, to identify threats to the achievement of Newcrest's objectives and assess the appropriateness of Management's response to these risks. Internal Audit may also carry out special reviews requested by the Audit and Risk Committee or Management.

Authority

On behalf of the Audit and Risk Committee, Internal Audit shall have access to all records, properties and personnel that is reasonably required to implement the Internal Audit Plan. All staff and Management of Newcrest shall provide necessary assistance to, and cooperate with, Internal Audit personnel in the performance of their duties.

Responsibility and accountability

The primary objective of Internal Audit is to assist Management, the Board and Committees in the effective discharge of their responsibilities. In order to carry out this responsibility, Internal Audit shall have independent access to the Audit and Risk Committee, Chairman of the Audit and Risk Committee and, if required, the Chairman of the Board.

A defalcation greater than \$15,000 is reported to Internal Audit, investigated and the findings and remedial actions reported to the Audit and Risk Committee.

Management is accountable for the operation and enhancement of internal controls. This includes responsibility for implementing the action plans reported to the Audit and Risk Committee.

Objectivity and independence

Internal Audit shall be independent of the activities it reviews. Specifically, Internal Audit teams may not review areas where they were responsible for the design or operation of the area.

Reporting and operating principles

Internal Audit shall execute the plan approved by the Audit and Risk Committee and report significant findings and any other matters deemed appropriate to both Management and the Audit and Risk Committee. Reports will contain Management's comments and their action plan designed to remediate the issues raised.

Internal Audit will:

- Be responsive to Newcrest's changing needs, will strive for continuous improvement and maintain integrity in carrying out their activities.
- Work closely with Management, and report to the Board and Committees, to identify and assess controls, which will assist them in the effective discharge of their responsibilities, while maintaining their independence.

- Identify and recommend improvements in systems, processes and controls to add value to the internal audit reviews.
- Communicate its activities to the external auditors.

Managing Director and Chief Executive Officer
Newcrest Mining Limited

July 2018