

ASX RELEASE

Executive Remuneration

13 November 2013

The Board of New Hope has recently announced proposed changes to the executive team following Mr Rob Neale's pending retirement on 31 January 2014. In parallel to changes in the composition of the executive team, the Board has also undertaken a review of executive remuneration structure, which has resulted in changes to both the structure and quantum of remuneration for the new executive team.

From 1 February 2014 the executive team will comprise Mr Shane Stephan (CEO), Mr Bruce Denney (COO) and Mr Matthew Busch (CFO). Each executive's Total Salary Package (TSP) will comprise:

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| Fixed Remuneration (TFR) | TFR will include provision of a cash salary, superannuation, motor vehicle or motor vehicle allowance, and the option to salary sacrifice a portion of their fixed remuneration into other non-monetary benefits. |
| Short Term Incentive (STI) | Each executive will be entitled to receive a maximum STI award in any given year. The quantum of the STI awarded is subject to the executive meeting various short term performance criteria which are set by the board at the start of each year. The performance criteria include group profit, group production, group sales, investment performance and compliance. Any STI awarded will be paid in two equal cash instalments, with 50% paid immediately upon award and 50% deferred for 12 months. |
| Long Term Incentive (LTI) | Each executive will be entitled to receive a maximum LTI award in any given year. Half of the LTI awarded is subject to the company meeting Total Shareholder Return targets measured against the ASX200 index, with half of the LTI awarded subject to the company delivering against pre-agreed strategic milestones. LTI's will be delivered via the issue of Performance Rights which will convert to Ordinary Shares in the company after meeting the above performance hurdles and satisfaction of a three year vesting period. |

The total quantum and mix of each executives salary package is reviewed each year having regard to the responsibilities of the role and prevailing market conditions. From 1 February 2014, the following salary packages will apply:

	CEO	COO	CFO
TFR	\$1,300,000	\$750,000	\$600,000
Maximum STI	\$400,000	\$250,000	\$150,000
Maximum LTI	\$400,000	\$250,000	\$150,000
Maximum TSP	\$2,100,000	\$1,250,000	\$900,000
Term	No fixed term	No fixed term	No fixed term

Both the company and the CEO may terminate the agreement by giving the other party six months' notice. On termination, the company may elect to make payments to the executive in lieu of the notice period.

Summary of 2013 STI and LTI awards

Due to the ongoing difficult conditions facing the thermal coal industry and in light of the lower shareholder returns delivered in the 2013 financial year the Board has decided that the STI and LTI awards to the executive team for the 2013 financial year will be set at as follows:

- STI's will total \$370,000 in aggregate against a maximum allowable entitlement in aggregate of \$1,300,000.
- No LTI's awarded against a maximum allowable entitlement in aggregate of \$1,250,000.

(ends)

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