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Day Month Year

Addressee Name  
Address line 1  
Address line 2

Dear Addressee,

Appointment as Non-executive Director

### **Appointment**

Following our recent discussions, I am very pleased to confirm my invitation to you to join the Boards of BHP Billiton Plc and BHP Billiton Limited (**BHP**) as a Non-executive Director. I refer to 'Board' in the singular in the remainder of this letter as the Boards are required to consist of the same individuals.

### **Term of appointment and vacation of office**

This invitation is subject to confirmation of your appointment by the Board on [xx] following which you will hold office from [x] until the later of the [year] Annual General Meetings of BHP (at which point you will stand for election). Consistent with the United Kingdom Corporate Governance Code, the Board has adopted a policy of annual elections for all Directors. At any time during your tenure, including when you become subject to re-election under the policy on annual election, the constitutions or the law, your performance as a Director will be reviewed in accordance with processes agreed by the Board from time to time. A recommendation as to your re-election may be made in notices of meetings or other material provided to shareholders. You agree to participate in such reviews.

You may cease to hold office as a Director:

- at any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-election where that is possible so that BHP can plan for succession of skills and experience on the Board; and
- in accordance with the law or the constitutions of BHP. This letter refers only to your appointment as a Non-executive Director. The Board may from time to time request you to participate in one or more Board committees, subject to your agreement.

### **Role**

I refer you to the Board Governance Document in **Annexure A** which discusses the role of the Board and outlines the processes the Board has developed in carrying out its role. As you will appreciate, the Board

Governance Document is at the core of how the Board governs the BHP Group (**Group**) and specifies the matters the Board has reserved for itself and the matters it has delegated to the Chief Executive Officer subject to the 'CEO Limits'.

As a Non-executive Director of BHP, you will be expected to participate as a member of the Board in:

- constructively challenging and helping to develop proposals on strategy of the Group;
- setting values and standards for the Group and establishing systems for their communication and monitoring;
- monitoring the performance of management in meeting agreed goals and objectives and ensuring that the necessary financial and human resources are in place to enable the Group to meet those goals and objectives;
- satisfying yourself as to the adequacy and integrity of financial and other reporting to the Board and shareholders and that there are adequate systems of internal control; and
- satisfying yourself that systems for identification and management of risks are robust and appropriate.

As a Director of BHP, you will have legal duties and obligations under Australian and UK law. It is expected that you will familiarise yourself with the relevant Directors' Duties, as set out in the schedule in **Annexure [ ]**.

### **Time commitments**

I anticipate that your duties as a Non-executive Director of BHP will involve a commitment of at least 50 days in each year. Currently that would typically comprise attendance at:

- nine Board meetings (five face to face and four by teleconference). Face to face meetings will typically cover at least two days but could extend up to five days for visits to sites. Travel will be in addition to this;
- the Annual General Meetings and any General Meeting that may be convened from time to time;
- site visits; and
- Board committee meetings which occur at times other than those days set aside for Board meetings. If you are appointed as a chairman of any committee, you may expect a further call on your time to fulfil that role.

A schedule of Board and committee meetings for [year] can be found at **Annexure [ ]**.

In addition, you will be expected to devote appropriate preparation time ahead of each meeting and to attend such ad hoc meetings as may be necessary or appropriate.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet these expectations. Your appropriate commitment of time to the affairs of the BHP Group will be one of the issues addressed in Director assessments.

The heavy travel burden associated with attending meetings in two hemispheres is recognised and Directors are, with my consent as Chairman, permitted to attend meetings "electronically" when essential.

## Technology

By consenting to become a Director, you consent to the use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings. You can withdraw this consent by notification to the Group Company Secretary a reasonable period before a Board or committee meeting is held.

## Independence and other interests

The Independence of Directors Policy adopted by the Board to assess the independence of Directors of BHP is in **Annexure** [ ]. Confirmation of your appointment is subject to the Board assessing that you are an independent Director within the framework of those guidelines.

If your circumstances change in any way which may affect your status as an independent Director, you must immediately disclose this to the Board.

BHP accepts that you will have business interests other than those of the BHP Group. The disclosure of interests you have provided will be considered by the Board in connection with your candidacy.

While a Director of BHP, you should seek approval from the Chairman before accepting any external appointments (including other Board appointments), or changing the terms of any current appointments. This is to ensure that any appointment is consistent with the terms of the Independence of Directors Policy and that you have sufficient time to devote to your role as a Non-executive Director of BHP. An external appointment to the Board of a competitor operating in the oil and gas or minerals sector could give rise to an actual or potential conflict. In these circumstances such an appointment is assessed against the above criteria and, prima facie, is unlikely to be supported. An external appointment to the Board of a material supplier or customer of BHP will also need to be considered carefully against those criteria.

Disclosure of interests is a continuing obligation. If your circumstances change, and you acquire any office or property which may conflict with your office as a Director of BHP or the interests of the BHP Group, then you must disclose its character and extent as soon as possible. This should be done in writing. You may wish to consult with me as Chairman, or the Group Company Secretary, as soon as you become aware of any potential conflict. Any interest that constitutes an actual or potential conflict will be subject to authorisation by Directors in accordance with UK law. Any external appointments approved by the Chairman, and any actual or potential conflicts which have been authorised, will be recorded on the Conflict Register maintained by Group Governance.

You should be aware that under the law and the constitutions, you will generally not be entitled to attend any part of a Board meeting, or to vote, on any matter in which you have a material personal interest unless the other Directors unanimously decide otherwise. Any material interests are required to be disclosed in the annual report and the accounts under the United Kingdom Companies Act and the Listing Rules of the UK Listing Authority. Similar obligations exist under the Australian Corporations Act and the Listing Rules of the Australian Securities Exchange.

## Remuneration and expenses

Each Non-executive Director is paid a base fee which is currently US\$160,000 per annum; that fee is subject to change as approved from time to time. Where superannuation or other pension contributions are required by law, these will be paid from within the base fee (not in addition to the base fee). Fees are

payable monthly and will be deposited into your bank account, details of which you will provide to us. Under arrangements agreed with the United Kingdom Inland Revenue and the Australian Taxation Office, 58% of the total fee will be paid by BHP Billiton Limited and the balance will be paid by BHP Billiton Plc. Allowances will similarly be split.

Directors may, in addition, receive a fee for devoting special attention to the business of the BHP Group which is outside the scope of ordinary duties, or where any business journey must be undertaken.

Current fees are:

- US\$60,000 per annum for acting as Chairman of the Risk and Audit Committee;
- US\$45,000 per annum for acting as Chairman of the Sustainability Committee;
- US\$45,000 per annum for acting as Chairman of the Remuneration Committee;
- US\$32,500 per annum for acting as a member of the Risk and Audit Committee;
- US\$27,500 per annum for acting as a member of the Remuneration Committee; and
- US\$27,500 per annum for acting as a member of the Sustainability Committee.

Directors may also receive a travel allowance. For Board and Committee meetings, this is calculated by reference to the duration of travel required to attend, being \$US7,000 for more than three hours but fewer than 10 hours of continuous travel and \$US15,000 for 10 hours or more of air travel. For travel to site visits and other training and development purposes, the calculation will be on the same basis but subject to an annual cap of US\$50,000.

These amounts or the nature of the benefit may be changed by the shareholders or the Board. You will not be entitled to a retirement allowance.

You have agreed that for so long as it is Board policy, you will apply at least 25% of your remuneration (base fee and committee fees) to the purchase of BHP shares (or American Depositary Receipts) in either BHP Billiton Limited or BHP Billiton Plc, at times when you are permitted to trade, until you achieve a shareholding equivalent in value to one year's remuneration (base fee and committee fees) and thereafter to maintain at least that level of shareholding throughout your tenure.

You are entitled to be paid other expenses you properly incur concerning BHP's affairs. Except for expenses associated with travelling, you should obtain the Chairman's approval of the expense before you incur it.

## **Induction**

You have agreed to participate in an induction program that includes one-on-one meetings with members of management and visits to key assets over a period of time.

You will also receive an induction pack of information concerning the Group from the Group Company Secretary. You should feel free to request any further information which you require either from me, or from her, at any time.

## **Continuous improvement and directors' appraisal**

The Board believes that progressive organisations appreciate the challenge of operating in today's business environment.

You agree that you will participate in:

- continuous improvement programs from time to time determined by the Board as being appropriate for Directors, at the expense of BHP and whether or not those programs are offered by BHP; and
- processes of internal and external review of Director, Board and committee performance as may be determined to be appropriate by the Board from time to time. You acknowledge that the results of such processes will be relevant to your candidacy for re-election to the Board.

If there are any issues which cause you concern about the Board or your individual performance, or the performance of any committee, you should feel free to raise it with me as Chairman at any time.

## **Indemnity, insurance and access to company documents**

**Annexure [ ]** is a summary of the current Directors' and Officers' Insurance Policy. This policy will be extended to you from the date of your appointment. **Annexures [ ]** and **[ ]** are the Directors' Deed of Indemnity, Insurance and Access which will be executed by BHP Billiton Limited and BHP Billiton Plc, respectively, as a condition of your agreement to be appointed as a Director.

Under Australian law, Directors have a right of access to a company's documents and records, including financial records, and they may make copies for the purposes of certain legal proceedings. This latter right continues for seven years after you cease to be a Director.

## **Independent advice**

With the approval of the Chairman, you may seek independent professional advice, at the expense of BHP, on any matter connected with the discharge of your responsibilities. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

## **Constitution charters and policies**

BHP has developed constitutions and a range of charters and policies which govern conduct of the Directors and employees and set out the values, standards and procedures of the Group in dealing with all stakeholders. You should familiarise yourself with them. You may access them from the website at [www.bhp.com](http://www.bhp.com) or the Group Company Secretary will provide you with hard copies. You acknowledge that your conformity with these constitutions, charters and policies will be an element in any assessment of your performance as a Director of BHP.

## **Notification of personal interests**

Under the Listing Rules of the Australian Securities Exchange, the UK Listing Authority, the New York Stock Exchange and the various other exchanges on which BHP securities are traded as well as the EU Market Abuse Regulation, information about you is required to be provided to those stock exchanges. Filings concerning you must also be made with various government authorities. You may authorise BHP to notify those stock exchanges and government authorities on your behalf.

You agree that you will provide to the Group Company Secretary promptly (and within required timeframes for filing that information) all information about you which may be required for this purpose, including (without limitation):

- details of your name, address, date and place of birth; and
- details of dealings in BHP issued securities by you and your Persons Closely Associated (which includes your spouse or partner, dependent children, relatives who have shared the same household with you for at least one year and entities associated with you or any of them).

Please note you are required to obtain the consent of the Chairman before dealing in securities of BHP and there are designated prohibited periods for dealing.

BHP is required to keep a list of all your Persons Closely Associated. You will need to provide a list of your Persons Closely Associated to the Group Company Secretary and any future updates to your Persons Closely Associated list. You will also need to advise your Persons Closely Associated that there are designated prohibited periods for dealing and that any transaction in or relating to, securities of BHP must be disclosed to the Group Company Secretary for filing to the stock exchanges and government authorities.

This information is set out in the Group's *Our Requirements for Securities Dealing* standard, a copy of which is in **Annexure [ ]**. By accepting this appointment, you agree to be bound by the provisions of *Our Requirements for Securities Dealing* standard.

### **Group Company Secretary**

The Group Company Secretary of BHP Billiton Limited and BHP Billiton Plc is Margaret Taylor. All Directors have access to her advice and services.

### **Confidentiality**

All information obtained during your appointment is confidential to BHP and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Chairman, or as required by law.

I also draw your attention to both legislation and BHP's policy prohibiting disclosure or use of price sensitive information.

We look forward to welcoming you to our Board. Please feel free to contact me on [xx] or Margaret Taylor on [xx] if you have any questions in relation to the above. If you need specific assistance with the completion of any of the documentation attached, Margaret would be happy to assist you.

Yours sincerely

**Ken MacKenzie**  
Chairman

Acknowledgment

I, [Director's Name], hereby accept the terms of appointment set out in this letter.

.....

.....

Signature

Date

**[This is a model letter of appointment. Actual terms may vary when agreed with individual directors].**

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