

Explanation of the Above Award Guarantee in the Operations Services Production Agreement

July 2023

1. The Operations Services Production Agreement provides in:
 - Clause 7.3 that your Annual Salary under the Agreement for your current roster and role will never fall below the salary in your contract. If your current salary is above the Above Award Guarantee (**AAG**) your current salary rate applies.
 - Clause 7.6 that the minimum Annual Salary payable to an Employee under their contract will never fall below the AAG for your current roster and role.
 - Clause 7.7 that the AAG Annual Salary payable to every Employee will be at least 105% of the amount that would have been payable to an Employee under the relevant modern award for working their current roster and role.
2. It also provides in clause 7.10 that any un-rostered overtime will be calculated based on an hourly rate, that will be never less than:
 - The AAG hourly rate;
 - Your current hourly rate for un-rostered overtime if it is higher than the AAG hourly rate.
3. We have prepared this note to assist you to understand how clause 7.7 and 7.10 operate in practice, by reference to rosters and calculations based on assumptions.
4. We have prepared the attached charts that provide our calculations that would apply on the assumptions set out in the charts for:
 - the AAG Annual Salary; and
 - the AAG hourly rate for un-rostered overtime
5. **You can find our calculation of the AAG Annual Salary** relevant to your roster by going to the table that covers your Award (currently Mining Industry Award for the Western Australia and South Australia Hubs, and Black Coal Mining Industry Award for the Queensland Hub) and locating your roster.
6. If your current contract Annual Salary rate is higher than that, your higher rate will apply. **You can find your current contract salary** for your current roster and role on your payslip. If you cannot locate it you can get a copy by contacting your Line Leader.
7. **You can find our calculation of the AAG hourly rate** relevant to your roster for calculating un-rostered overtime by going to the table that covers your Award and locating the AAG hourly rate for your roster. Once you have that rate your AAG overtime rate will be double that rate, (or triple that rate for public holidays). If your current overtime rate is higher than that, your higher rate will apply.
8. If you have any difficulties please contact your Superintendent or email us on OSEA@bhp.com.

OS Production - AAG Calculations for Mining Award Employees - Currently relevant to WA and SA Hubs

1. The table below sets out the AAG that the Company will apply for the below rosters based on current Award rates. The following assumptions are used in these calculations:

- the calculations are based on applicable Award rates as at July 2023
- all roster calculations are based on 12.5 hour rostered shifts
- 11 public holidays are worked (this exceeds the number of public holidays that are likely to be worked in practice)
- first aid and industry allowance are payable (rates do not include Award leading hand allowance which will be included in an Employee's AAG if appointed to such a position)

2. Changes to Award rates and other terms of the Award may result in changes to your Above Award Guarantee. Award rates and allowances increase each year, generally on 1 July, in accordance with the Fair Work Commission's annual wage review.

3. Trainee AAG calculations are available in separate calculation sheets.

4. These are calculations of Award entitlements for rostered hours + 5%. They are not a statement or calculation of all provisions of the Proposed EA.

5. Production Technicians in Non-Coal Operations are employed at Level 3 or 4, depending on skills and experience. New to Industry employees are employed at Level 2.

Mining Industry Award Employees (other than trainees)

Roster	Entry Level		Level 1		Level 2		Level 3	
	Above Award Guarantee (AAG)	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$125,561.95	\$41.28	\$131,207.05	\$43.15	\$135,854.26	\$44.67	\$139,817.25	\$45.97
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$87,344.64	\$38.29	\$91,269.75	\$40.02	\$94,501.02	\$41.43	\$97,256.53	\$42.64
ROSTER 4 - 7 Days, 7 Off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 14 days per roster cycle x 87.5 rostered hours per cycle) = 2,281.25	\$84,626.60	\$37.10	\$88,428.80	\$38.77	\$91,558.89	\$40.14	\$94,228.11	\$41.31

Roster (continued from above)	Level 4		Level 5		Level 6		Level 7	
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$148,783.82	\$48.92	\$158,092.53	\$51.98	\$165,562.30	\$54.44	\$172,048.46	\$56.57
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$103,491.11	\$45.37	\$109,963.58	\$48.21	\$115,157.40	\$50.49	\$119,667.32	\$52.46
ROSTER 4 - 7 Days, 7 Off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 14 days per roster cycle x 87.5 rostered hours per cycle) = 2,281.25	\$100,267.46	\$43.96	\$106,537.25	\$46.71	\$111,568.44	\$48.91	\$115,937.13	\$50.82

OS Production - AAG Calculations for Black Coal Award Employees - Currently relevant to Queensland Hub

1. The table below sets out the AAG that the Company will apply for the below rosters based on current Award rates. The following assumptions are used in these calculations:
 - the calculations are based on applicable Award rates as at July 2023
 - all roster calculations are based on 12.5 hour rostered shifts
 - 11 public holidays are worked (this exceeds the number of public holidays that are likely to be worked in practice)
 - water money, additional shift and dirty work allowances are payable (rates do not include Award mixed functions allowance which will be included in an Employee's AAG if payable)
2. Changes to Award rates and other terms of the Award may result in changes to your Above Award Guarantee. Award rates and allowances increase each year, generally on 1 July, in accordance with the Fair Work Commission's annual wage review.
3. Trainee AAG calculations are available in separate calculation sheets.
4. These are calculations of Award entitlements for rostered hours + 5%. They are not a statement or calculation of all provisions of the Proposed EA.
5. Production Technicians in Coal Operations are employed at Mineworker Level. New to Industry employees are employed at Mineworker induction Level 2 / Mineworker-training.

BCMI Award Employees (other than trainees)

Roster	Mineworker Induction Level 1		Mineworker - Induction level 2 / Mineworker - Training		Mineworker		Mineworker - Advanced		Mineworker - Specialised	
	Above Award Guarantee (AAG)	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$155,469.28	\$51.12	\$158,388.87	\$52.08	\$169,088.52	\$55.59	\$177,067.63	\$58.22	\$194,916.96	\$64.08
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$118,252.90	\$51.84	\$120,474.30	\$52.81	\$128,615.22	\$56.39	\$134,686.20	\$59.05	\$148,267.02	\$64.99

OS Production - AAG Calculations for Mining Award Trainees - Currently relevant to WA and SA Hubs

1. The table below sets out the AAG that the Company will apply for the below rosters based on current Award rates. The following assumptions are used in these calculations:

- the calculations are based on applicable Award rates as at July 2023
- all roster calculations are based on 12.5 hour rostered shifts
- 11 public holidays are worked (this exceeds the number of public holidays that are likely to be worked in practice)
- industry allowance and first aid allowance is payable

2. Changes to Award rates and other terms of the Award may result in changes to your Above Award Guarantee. Award rates and allowances increase each year, generally on 1 July, in accordance with the Fair Work Commission's annual wage review.

3. Other employee AAG calculations are available in separate calculation sheets.

4. These are calculations of Award entitlements for rostered hours + 5%. They are not a statement or calculation of all provisions of the Proposed EA.

Mining Award Trainees (National Training Wage Level A of the Miscellaneous Award)								
Roster	Trainee - Wage Level A of Misc. Award: School Leaver (Highest Education - Year 10)		Trainee - Wage Level A of Misc. Award: Year One Out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: Year Two out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: Year Three out of School (Highest Completed Schooling - Year 10)	
	Above Award Guarantee (AAG)	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$57,492.92	\$18.91	\$62,724.62	\$20.63	\$73,530.13	\$24.17	\$84,649.26	\$27.83
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$40,015.34	\$17.54	\$43,653.01	\$19.14	\$51,166.23	\$22.43	\$58,897.50	\$25.82
ROSTER 4 - 7 Days, 7 Off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 14 days per roster cycle x 87.5 rostered hours per cycle) = 2,281.25	\$38,779.38	\$17.00	\$42,303.13	\$18.55	\$49,581.08	\$21.74	\$57,070.26	\$25.02
Roster (repeated from above)	Trainee - Wage Level A of Misc. Award: Year Four out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: Year Five out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: School Leaver (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: Year One Out of School (Highest Completed Schooling - Year 11)	
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$97,564.56	\$32.08	\$110,893.26	\$36.46	\$62,724.62	\$20.63	\$73,530.13	\$24.17
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$67,877.68	\$29.76	\$77,145.30	\$33.82	\$43,653.01	\$19.14	\$51,166.23	\$22.43
ROSTER 4 - 7 Days, 7 Off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 14 days per roster cycle x 87.5 rostered hours per cycle) = 2,281.25	\$65,769.23	\$28.84	\$74,746.64	\$32.77	\$42,303.13	\$18.55	\$49,581.08	\$21.74
Roster (repeated from above)	Trainee - Wage Level A of Misc. Award: Year Two out of School (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: Year Three out of School (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: Year Four out of School (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: School Leaver (Highest Completed Schooling - Year 12)	
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$84,649.26	\$27.83	\$97,564.56	\$32.08	\$110,893.26	\$36.46	\$73,530.13	\$24.17
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ROSTER 4 - 7 Days, 7 Off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 14 days per roster cycle x 87.5 rostered hours per cycle) = 2,281.25	\$57,070.26	\$25.02	\$65,769.23	\$28.84	\$74,746.64	\$32.77	\$49,581.08	\$21.74
Roster (repeated from above)	Trainee - Wage Level A of Misc. Award: Year One out of School (Highest Completed Schooling - Year 12)		Trainee - Wage Level A of Misc. Award: Year Two out of School (Highest Completed Schooling - Year 12)		Trainee - Wage Level A of Misc. Award: Year Three out of School (Highest Completed Schooling - Year 12)			
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate		
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$84,649.26	\$27.83	\$97,564.56	\$32.08	\$110,893.26	\$36.46		
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$58,897.50	\$25.82	\$67,877.68	\$29.76	\$77,145.30	\$33.82		
ROSTER 4 - 7 Days, 7 Off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 14 days per roster cycle x 87.5 rostered hours per cycle) = 2,281.25	\$57,070.26	\$25.02	\$65,769.23	\$28.84	\$74,746.64	\$32.77		

OS Production - AAG Calculations for Black Coal Award Trainees - Currently relevant to Queensland Hub

1. The table below sets out the AAG that the Company will apply for the below rosters based on current Award rates. The following assumptions are used in these calculations:

- the calculations are based on applicable Award rates as at July 2023
- all roster calculations are based on 12.5 hour rostered shifts
- 11 public holidays are worked (this exceeds the number of public holidays that are likely to be worked in practice)
- water money, additional shift, dirty work, confined space, height money are payable

2. Changes to Award rates and other terms of the Award may result in changes to your Above Award Guarantee. Award rates and allowances increase each year, generally on 1 July, in accordance with the Fair Work Commission's annual wage review.

3. Other employee AAG calculations are available in separate calculation sheets.

4. These are calculations of Award entitlements for rostered hours + 5%. They are not a statement or calculation of all provisions of the Proposed EA.

BCMI Award Trainees (National Training Wage Level A of the Miscellaneous Award)								
Roster	Trainee - Wage Level A of Misc. Award: School Leaver (Highest Education - Year 10)		Trainee - Wage Level A of Misc. Award: Year One Out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: Year Two out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: Year Three out of School (Highest Completed Schooling - Year 10)	
	Above Award Guarantee (AAG)	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$63,717.76	\$20.95	\$69,805.77	\$22.96	\$82,379.93	\$27.09	\$95,319.03	\$31.34
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$48,442.93	\$21.25	\$53,075.05	\$23.28	\$62,642.21	\$27.46	\$72,487.04	\$31.78

Roster (repeated from above)	Trainee - Wage Level A of Misc. Award: Year Four out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: Year Five out of School (Highest Completed Schooling - Year 10)		Trainee - Wage Level A of Misc. Award: School Leaver (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: Year One Out of School (Highest Completed Schooling - Year 11)	
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$110,348.30	\$36.28	\$125,858.64	\$41.38	\$69,805.77	\$22.96	\$82,379.93	\$27.09
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$83,922.20	\$36.79	\$95,723.37	\$41.96	\$53,075.05	\$23.28	\$62,642.21	\$27.46

Roster (repeated from above)	Trainee - Wage Level A of Misc. Award: Year Two out of School (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: Year Three out of School (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: Year Four out of School (Highest Completed Schooling - Year 11)		Trainee - Wage Level A of Misc. Award: School Leaver (Highest Completed Schooling - Year 12)	
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$95,319.03	\$31.34	\$110,348.30	\$36.28	\$125,858.64	\$41.38	\$82,379.92	\$27.09
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Roster (repeated from above)	Trainee - Wage Level A of Misc. Award: Year One out of School (Highest Completed Schooling - Year 12)		Trainee - Wage Level A of Misc. Award: Year Two out of School (Highest Completed Schooling - Year 12)		Trainee - Wage Level A of Misc. Award: Year Three out of School (Highest Completed Schooling - Year 12)	
	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate	AAG	AAG Hourly Roster Rate
ROSTER 1 - 7 Days, 7 Night, 7 off; i.e. 2 weeks on and 1 week off roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 21 days per roster cycle x 175 rostered hours per cycle) = 3,041.67.	\$95,319.03	\$31.34	\$110,348.30	\$36.28	\$125,858.64	\$41.38
ROSTER 2 - 7 Days, 7 Off, 7 Nights, 7 off; i.e. 7/7 roster. • Rostered hours per annum for AAG Hourly Roster Rate calculation (365 days per year ÷ 28 days per roster cycle x 175 rostered hours per cycle) = 2,281.25	\$72,487.04	\$31.78	\$83,922.20	\$36.79	\$95,723.37	\$41.96