

Human Resources Policy Schedule

Annual Leave Australia

1. What is the purpose of this document?

The purpose of this document is to establish the rules and provisions of Annual Leave in Australia. In the event of any inconsistency between a provision in this document and a provision in an employee's contract of employment or applicable industrial instrument, the provision in the contract of employment or industrial instrument will prevail.

BHP (or the "Company") is committed to supporting employees in achieving a balance between work and personal lives.

2. Who does this Policy Schedule apply to?

This Policy schedule applies to all permanent full-time and part-time and fixed term employees in Australia.

In the case of any inconsistency with an applicable employment contract, industrial instrument or law, the relevant employment contract, industrial instrument, local legislation or currently published company documents prevail.

*This Policy Schedule shall be applied free from discrimination based upon personal attributes unrelated to job performance, such as race, age, ethnicity, nationality, gender identity, sexual orientation, intersex status, physical or mental disability, mental health condition, relationship status, religion, political opinion and industry/union affiliations, pregnancy, breastfeeding or family responsibilities**

*Subject to BHP's requirement to comply with local laws in jurisdictions in which we operate

3. What is the Annual Leave Entitlement

All permanent and fixed term employees are entitled to a minimum of four weeks annual leave per year. Shift workers are entitled to an additional one week per year. Annual leave entitlements accrue progressively during the year and continue to accumulate from year to year.

Notes:

- In the event of any inconsistency between this Policy and an employee's annual leave entitlement in their contract of employment or applicable industrial instrument, the employment contract or applicable industrial instrument will prevail. Permanent part-time or fixed term employees accrue leave on a pro-rata basis.
- Unless otherwise specified or required by law, casual employees do not accrue leave entitlements.
- Entitlements to annual leave at half-pay, cash out and purchase of annual leave is not applicable to Coal enterprise agreement (**EA**) covered employees.

Leave Entitlements and specific requirements for those employees on a roster or at a work location are outlined below, and may change from time to time.

Annual Leave Entitlement (Full-time equivalent)

Location	Eligible Employee Entitlements	Entitlements
Functions in all locations	All employees	Four weeks
OD	All employees	Four weeks
	Olympic Dam site-based positions, employees under a Fly in Fly Out (FIFO) arrangement and shift roster positions	Five Weeks
Carrapateena	All employees	Four weeks
	Carrapateena site-based positions, employees under a Fly in Fly Out (FIFO) arrangement and shift roster positions	Five Weeks
Prominent Hill	All employees	Four weeks
	Prominent Hill site-based positions, employees under a Fly in Fly Out (FIFO) arrangement and shift roster positions	Five Weeks
	Prominent Hill Enterprise Agreement employees	As per EA
WAIO	All employees	Four weeks
	Pilbara-based employees on a residential roster or FIFO employees	Five weeks
	Shift roster employees who work in Perth on a roster that requires regular work on Sundays and public holidays	Five Weeks
	Shift roster employees who work at site on a roster that requires regular work on Sundays and public holidays	Six Weeks
Nickel West (inc West Musgrave)	All employees	Four weeks
	Shift roster employees who work a roster that requires regular work on Sundays and public holidays	Five Weeks

	FIFO shift roster employees – working less than 243.33 x 12 hour shifts p.a.	Five Weeks
	FIFO shift roster employees – working more than 243.33 x 12 hour shifts p.a.	Six Weeks
Coal: BMA / NSWEC	All employees	Four Weeks
	Non-EA employees working on black coal mine sites (Mon-Fri rosters)	Five Weeks
	Non-EA employees working in Brisbane on a shift roster that requires regular work on Sundays and public holidays	Five Weeks
	Non-EA employees working on black coal mine sites (7 day rotating rosters) i.e. working a 7 day roster or working 272 hours p.a. on a Sunday + public holidays	Six Weeks
	Coal EA covered employees	As per applicable EA
Operations Services	All employees in corporate office locations (i.e. Brisbane, Perth)	Four Weeks
	All employees where work is based at a site location	Five Weeks
	Shift roster employees who work a 7 day rotational roster including Sundays and Public Holidays in corporate office locations	Five Weeks
	Shift roster employees who work a 7 day rotational roster including Sundays and Public Holidays and where work is based at a location outside of a corporate office	Six Weeks

3.1 Annual Leave Requirements

To apply for annual leave employees must submit an application via [Fiori](#), [myHR+](#) or [My Work](#) or, where employees do not have access to these system options, via a leave application form. As much notice as possible should be given for a request to take leave, with a minimum of four weeks' notice generally required. In some locations or for some roles, it may be necessary to submit leave requests six or 12 months in advance to enable leave coverage to be planned against the roster. Line Leaders will advise if this is required. Leave may be approved by the Line Leader after taking into account operational requirements.

FIFO employees are required to take annual leave for their entire rostered swing. Exceptions may be approved by the employee's Line Leader in exceptional circumstances.

3.1.1 Excess Annual Leave

BHP may request employees with excess annual leave balances (greater than two year's accrual) to reduce their annual leave balance by taking annual leave or applying for some of their balance to be paid out.

3.1.2 Cash out of Annual Leave

Employees may cash out an amount of paid annual leave by agreement with BHP and in accordance with applicable workplace legislation. Note: some industrial instruments limit the amount of annual leave that can be cashed out, for example employees covered by the Black Coal Mining Industry Award 2020 are limited to cash out two weeks leave per year only.

An agreement to cash out annual leave is conditional on:

- Ensuring that the agreement does not result in the remaining accrued annual leave entitlement being less than four weeks (or equivalent for part-time employees); and,
- The agreement being consistent with provisions of an applicable industrial instrument.

The Company reserves the right to not agree, amend or cancel this procedure at its discretion.

Where annual leave is cashed out, employees will be paid at the rate of pay at the time the election to cash out occurs. However, if the employee is receiving additional allowances as a result of a temporary change or appointment (e.g. shift allowance, higher duties), these allowances will not be counted for the purpose of the cash out. In the case of part-time employees, a pro-rata annual leave amount may be cashed out.

Superannuation is payable on any annual leave that is cashed out at the statutory superannuation guarantee rate (or as otherwise outlined in an employee's contract of employment or applicable industrial instrument) on ordinary time earnings up to the maximum contribution base per quarter.

For employees working internationally, eligibility will be determined as follows:

- Permanent transfers – Leave, including flexible leave options, will be in accordance with the Host country leave policy and practice. If eligible, any application to cash out annual leave will need to be made prior to the employee formally relocating and commencing in their new role, as cash out of annual leave will not be supported whilst based overseas.
- Out and Back Assignments – Leave, including flexible leave options, will remain as per the employee's Home location policy and practice.

3.1.3 Sickness during Annual Leave

In accordance with the Fair Work Act (Cth) 2009, when an employee is sick on annual leave, the employee can apply to substitute annual leave with personal (sick) leave.

A medical certificate must be provided to the Line Leader to substitute the relevant part of the annual leave to personal (sick) leave.

3.1.4 Annual leave whilst on Workers Compensation

If an employee is totally incapacitated and on workers compensation, they will accrue annual leave as per relevant workers compensation legislation from the date the claim was accepted.

After 12 months the totally incapacitated employee will no longer accrue annual leave. Employees under workers compensation who return to work in partial capacity will continue to receive their full annual leave entitlements as per relevant state legislation.

3.1.5 Annual Leave at half-pay

Subject to the Company's agreement, employees can elect to take their Annual Leave at half-pay by taking a period of half paid annual leave and half unpaid leave in accordance with this Policy. Please note, leave accrues only on the paid annual leave portion during this period. Leave does not accrue on unpaid leave. Other service related entitlements may also be impacted by the unpaid leave portion when taking a period of leave at half pay.

For example, Anna is a full-time employee and applies for four weeks' Annual Leave at half pay after meeting the eligibility criteria of this Policy. During each of those four weeks Anna will be on 50% paid annual leave and 50% unpaid leave. This means Anna will receive half pay each week and she will only accrue leave entitlements on the paid leave component.

Applications to take annual leave at half-pay can generally only be made under the following conditions:

- Employee has completed 12 months of continuous employment.
- **Employee has no more than two years' annual leave entitlement accrued.**
- Annual leave at half-pay must be taken as one continuous period of at least seven days (including rostered days off).
- Employees are not required to utilise all their existing leave before making an application for annual leave at half-pay.
- Purchased annual leave can also be taken at half-pay.
- Rostered shifts will be paid at half-pay and leave entitlements will accrue on the paid annual leave period only (leave does not accrue on unpaid leave), ie leave accrues on 50% of a period of annual leave at half-pay.
- It will be the employee's responsibility to ensure sufficient funds are available to cover any automatic pay deductions, including Novated Leasing.
- Eligible days for annual short-term incentive calculation purposes will be impacted by any periods of unpaid leave.
- Superannuation contributions are based on the actual salary paid and will therefore be impacted by any annual leave taken at half-pay.
- Other service-related entitlements may also be impacted by any period of annual leave at half pay.
- **Port Hedland and Newman-based employees only:** If applicable, Annual Leave Travel Assistance can be taken with Annual Leave at Half Pay subject to all other Policy requirements being met.

3.2 Purchased Leave

Purchased leave is available to all permanent employees who, at the time of applying to purchase leave, have a combined annual and long service leave entitlement of less than 12 weeks. The purchase can occur over a three, six or 12 month period. There are no restrictions on the number of purchases that can be made within a 12 month period, subject to eligibility criteria outlined in this clause.

Employees can enter into an arrangement to buy and access leave in addition to their normal entitlement to annual leave. An employee may purchase between one and up to four weeks of leave within any 12 month period.

Purchased leave will be credited each pay period to a separate "purchased annual leave" account for the employee and will be paid for by the employee via payroll deductions each pay period. This leave must be paid for in full within 12 months from the date of approval and used within 24 months of the initial purchase.

Employees will not be eligible to purchase leave whilst on periods of personal (sick) leave, workers compensation or unpaid leave. Should employees take unpaid leave during the purchase period, their purchase will be automatically adjusted based on the reduced hours worked during the period. This may result in the original purchase amount of weeks not being reached by the end of the purchase period.

Leave will be taken as per standard leave application processes. Line leader approval is required on each occasion and will be subject to balancing business requirements, team and personal needs. As a result it may not be possible to approve all requests for purchased leave.

The purchased leave balance must be used before an employee's normal leave balance is used. Any unused purchased leave after 24 months will be automatically cashed out in the following pay cycle.

Purchased leave may be taken consecutively with other forms of leave including long service leave and annual leave. It may also be taken at half-pay if applicable.

Employees will continue to accrue leave in line with their employment contract, during periods of purchased annual leave.

The calculation of any short-term incentive is not impacted by purchased annual leave and will continue to be calculated based on gross salary.

The payment amount is determined by:

- Calculate the number of purchased hours (employees average weekly working hours multiplied by the number of weeks purchased = total hours to be purchased)
- The total hours to be purchased is divided over the number of payment periods in purchase timeframe
- The pay deduction amount is calculated by the salary for the pay period divided by the hours worked during the pay period multiplied by the purchased hours for the pay period.
- Adjustments will occur automatically to reflect any temporary or permanent changes to working hours or salary within a payment period.

Deductions are made from gross salary and impacts fortnightly/monthly tax withheld. The purchased leave is subject to ordinary PAYG tax when the purchased leave is taken or paid out. Employees are advised to seek advice from their local Taxation Office or an accountant or financial advisor on the taxation implications, including any impacts to tax brackets that may result from accessing the purchased leave arrangements.

At the time of purchase, superannuation contributions will be paid on an employee’s gross salary excluding the purchased leave amount. Superannuation contributions will be paid at the time of taking the purchased leave or when leave is cashed out. Employees are advised to seek advice from their local Taxation Office or an accountant or financial advisor on the taxation and superannuation implications, including any impacts to tax brackets that may result from accessing the purchased leave arrangements. Purchased leave will be paid out if an employee’s employment ends before taking the purchased leave.

For employees working internationally, eligibility will be determined as follows:

- Permanent transfers – Leave, including flexible leave options will be in accordance with the host country.
- Temporary transfers – Leave, including flexible leave options will remain as per your home location.

3.3 Time off in Lieu

In certain circumstances, employees may be required to work additional hours and, where approved by the Line Leader, time off in lieu may be accrued to be taken at a later time. Additional information can be found in the Hours of Work Policy, linked below.

3.3.1 Western Australia Iron Ore

For TOIL eligibility and application, please refer to the WAIO Employee Handbook.

4. What are the related documents to this Policy Schedule?

Policies, Processes and resources related to this Policy Schedule are detailed in the below table:

Type	Code	Document
Policy	LEAVE.001.001.001_001	Annual Leave – Policy
Policy	ELR-002-002-046_001	Hours of Work – Policy
Process	LEAVE.012.006.001	Leave - Reporting and Monitoring - Process

Process	LEAVE.011.006.001	<u>Leave - Purchasing Leave - Process</u>
Process	LEAVE.010.006.001	<u>Leave - Check Your Leave Balance - Process</u>
Process	LEAVE.009.006.001	<u>Leave - Cashing Out Leave - Process</u>
Process	LEAVE.008.006.001	<u>Leave - Apply for Leave – Process</u>

5. Are there legislation or other requirements related to this Policy Schedule?

Legislation or other requirements
Fair Work Act (Cth) 2009 Fair Work Regulations (Cth) 2009 National Employment Standards (NES)

6. What is the Governance for this Policy Schedule?

This section details the ownership, approval and review details of the Policy Schedule.

Policy Name: Annual Leave Policy - Australia		Document Code: LEAVE.001.002.009_001	
Policy Owner: Manager Reward - Group Functions, Policy and Recognition		Policy Approver: Head of Reward	
Last Reviewed by: Manager Reward - Group Functions, Policy and Recognition			
Date last reviewed: 1 July 2025		Date of next review: 1 July 2028	
This Policy must be reviewed at minimum every three years and will be updated with legislation changes.			

7. What are the exceptions to this Policy Schedule?

Any exceptions to this Policy Schedule must be approved by the Head of Reward.