

Comparison of BHP's Corporate Governance Practices with New York Stock Exchange (NYSE) Corporate Governance Requirements

Section 303A of the NYSE-Listed Company Manual contains a broad regime of corporate governance requirements for NYSE-listed companies. Under the NYSE rules, foreign private issuers, such as BHP, are permitted to follow home country practice in lieu of the requirements of Section 303A, except for the rule relating to compliance with Rule 10A-3 of the US Securities Exchange Act of 1934 (audit committee independence) and certain notification provisions contained in Section 303A of the NYSE Listed Company Manual. Section 303A.11 of the NYSE Listed Company Manual, however, requires us to disclose any significant ways in which our corporate governance practices differ from those followed by US companies under the NYSE corporate governance standards. After a comparison of our corporate governance practices with the requirements of Section 303A of the NYSE Listed Company Manual followed by US companies, the following significant difference was identified:

- Rule 10A-3 of the US Securities Exchange Act of 1934 requires NYSE-listed companies to ensure that their audit committees are directly responsible for the appointment, compensation, retention and oversight of the work of the External Auditor unless the company's governing law or documents or other home country legal requirements require or permit shareholders to ultimately vote on or approve these matters. While the BHP Risk and Audit Committee is directly responsible for remuneration and oversight of the External Auditor, the ultimate responsibility for appointment and retention of the External Auditor rests with our shareholders, in accordance with UK law and our constitutional documents. The BHP Risk and Audit Committee does, however, make recommendations to the Board on these matters, which are in turn reported to shareholders.