



Non-executive Director Induction Program

Object

BHP Group operates under a dual listed companies (**DLC**) structure. This program has been designed for the purpose of inducting new Non-executive Directors of BHP Group Limited and BHP Group Plc. It provides a summary of the Group and its activities to assist you to become effective in your role. In this document, references to the term 'Board' refer to the Board of each of BHP Group Limited and BHP Group Plc, references to 'BHP' or to the 'Company' refer to both companies, and references to the term 'Group' refer to the combined BHP group.

Group Overview

Since 29 June 2001, BHP Group Limited and BHP Group Plc have operated under a DLC arrangement. The relationship between the companies is determined by contract and was approved by shareholders. Under the DLC structure, the two parent companies, BHP Group Limited and BHP Group Plc, operate as a single economic entity, run by a unified Board and management team.

BHP Group Limited has a primary listing on the Australian Securities Exchange and BHP Group Plc has a premium listing on the UK Listing Authority's Official List and its ordinary shares are admitted to trading on the London Stock Exchange. Both companies are registrants of the US Securities & Exchange Commission and are classified as foreign private issuers. Both issue American Depositary Receipts which trade on the New York Stock Exchange. In addition, BHP Group Plc has a secondary listing on the Johannesburg Stock Exchange. The Group must comply with the listing rules in Australia and the United Kingdom and the rules that apply to foreign private issuers in the United States.

At the time of the merger the Board resolved to adopt a common governance framework across the jurisdictions in which the Group operates. In practice this means that where the requirements of these jurisdictions vary the Board will adopt what it considers to be the highest of the standards. There are no significant differences between the governance practices in Australia and the United Kingdom and the currently applicable requirements of the Sarbanes-Oxley Act, the Securities and Exchange Commission and the New York Stock Exchange in the United States. The Board has approved a Board Governance Document, which is a statement of the governance processes adopted by the Board.

The Board Governance Document does not purport to be a statement of BHP's compliance with the plethora of corporate governance codes that govern or guide the Group's activities. Nor does it attempt to describe the "mechanics" by which compliance is achieved. The Group makes a statement of compliance in the Annual Report published each year. In some instances the Board has elected not to follow recommended practices. In these cases the Board has published its reasons for so electing. The Board Governance Document reflects current practice and as such is subject to review and amendment.

Board Committees

The Board has established four permanent Committees to assist in the execution of its responsibilities. These Committees act primarily as advisory bodies to the Board. They review matters on behalf of the Board and, as determined by the relevant terms of reference:

- refer matters to the Board for decision, with a recommendation from the Committee; or
- determine matters (where the Committee acts with delegated authority), which the Committee then reports to the Board.

The permanent Committees of the Board and a summary of their responsibilities are set out below. Details of each Committee's membership are set out in the Annual Report and are available on the BHP website. The Terms of Reference of each Committee are also available on the BHP website. Group Governance provides secretariat services to each Committee.

Risk and Audit Committee

The Committee's responsibilities include assisting the Board in overseeing the integrity of the Group's financial statements and Annual Report, the effectiveness of internal and external audit processes, the Group's systems of internal control and risk management (both financial and non-financial risk), the Group's systems for compliance

with relevant legal and regulatory requirements within the Committee's area of responsibility and the Group's capital structure and funding.

Sustainability Committee

The Committee's responsibilities include assisting the Board in its oversight of the Group's health, safety, environment (**HSE**) and Community performance, and the adequacy of the Group's HSE and Community (**HSEC**) Framework (which incorporates the HSEC Management System); and in relation to various other governance responsibilities related to HSE and Community.

Nomination and Governance Committee

The Committee's responsibilities include overseeing the succession planning process for the Board, Directors and the Chief Executive Officer, developing and overseeing Board and individual Director performance evaluation and training, advising and making recommendations to the Board in relation to the Group's corporate governance practices, and various related governance responsibilities.

Remuneration Committee

The Committee's responsibilities include the determination of remuneration policy and its application for senior executives, performance evaluation, the adoption of incentive plans, and various governance responsibilities related to remuneration.

Executive Management

The Board has reserved the following matters for its decision:

- appointing the Chief Executive Officer (**CEO**) and determining the terms of the appointment;
- approving the appointment of executives reporting to the CEO and membership of the Executive Leadership Team, and material changes to the organisational structure involving direct reports to the CEO;
- succession planning for direct reports to the CEO;
- monitoring the performance of the CEO and the Group;
- establishing and assessing measurable diversity objectives;
- approving strategy, annual budgets, balance sheet management and funding strategy;
- approving commitments, capital and non-capital items, acquisitions and divestments above specified thresholds;
- approving the dividend policy and determining dividends;
- approving the Group's values, Code of Conduct, Purpose and risk appetite;
- monitoring Board composition processes and performance;
- reviewing and monitoring the effectiveness of the Group's systems of financial and non-financial risk management and internal control, and making sure there is an appropriate risk management framework in place;
- determining and adopting documents (including the publication of reports and statements to shareholders) that are required by the Group's constitutional documents, statute or by other external regulation; and

- determining and approving matters that are required by the Group's constitutional documents, statute or by other external regulation to be determined or approved by the Board.

Beyond these items, and subject to the CEO Limits set out in the Board Governance Document and the Group's Authorities Framework, the Board has delegated to the CEO responsibility for managing BHP, and, through him, executive management.

The Board retains ultimate authority to change, enhance or revoke its delegations to the CEO at any time.

The key executive management committees and their respective roles are set out below.

Executive Leadership Team

The CEO has established the Executive Leadership Team (**ELT**) as BHP Group's senior executive body to assist the CEO in the pursuit of the Corporate Purpose and strategy, within the CEO Limits as set out in the Board Governance Document, by providing leadership to the Company, determining its priorities and the way it is to operate. The ELT is responsible for the day-to-day management of the Company.

Members of the ELT are listed on the BHP website.

Financial Risk Management Committee

The Financial Risk Management Committee (**FRMC**) supports the CEO to monitor and oversee the management of financial risks faced by the Group, and endorses or approves financial risk management strategies, mandates and activities, including those related to commodity, currency, credit and insurance markets.

Investment Review Committee

The Investment Review Committee (**IRC**) assists the CEO in assessing investment decisions using a rigorous governance process, such that:

- investments are aligned with the Group's purpose, strategy and Charter values, as well as the Group's capital priorities and plans;
- key risks and opportunities are identified and managed; and
- shareholder value is maximised, on a risk adjusted basis.

Disclosure Committee

The Disclosure Committee assists the CEO in overseeing BHP's compliance with securities dealing and continuous and periodic disclosure requirements, including:

- reviewing information that may require disclosure to the stock exchanges; and
- overseeing disclosure processes to ensure information disclosed is timely, accurate and complete.

Business Structure

Our minerals production operations are separated into two regional units. These are: Minerals Australia and Minerals Americas. Our Minerals Australia Business includes operations in Western Australia, Queensland, New South Wales and South Australia, focusing on iron ore, copper, coal and nickel. Minerals Americas is

headquartered in Santiago, Chile and includes operations and interests in Chile, Peru, the United States, Colombia, Brazil and Saskatchewan, focusing on copper, zinc, iron ore, thermal coal and potash.

Our Petroleum Business includes exploration, development, production and marketing activities, with core production operations located in the US Gulf of Mexico, Australia and Trinidad and Tobago.

Our Operating Model sets out the relationships between the Businesses, Group Functions and Marketing and defines how we work, how we are organised and how we measure performance. The Operating Model has been designed to ensure that decision-making remains as close to the Businesses as possible.

Our Group Functions support the Businesses and operate under a defined set of accountabilities authorised by the ELT. Our Group Functions are primarily located in Melbourne, London and Singapore.

Our Marketing organisation is responsible for selling our products and for the purchase of all major raw materials; owning the supply chain from assets to markets and raw materials from suppliers to assets; managing credit and price risk associated with the revenue line; achieving market clearing prices for the Group's products; and defining our view of long-term market fundamentals.

Key Documents

You will be provided with an induction pack that includes a set of core documents. This material will be supplemented to reflect each individual Non-executive Director's role (e.g. Committee membership), interests and needs and any pressing issues. You may have already received some of this material. Some of this information is available on the Group's website: <https://www.bhp.com/our-approach/our-company/governance/>

Other Information

Meetings

Induction meetings will be scheduled with Directors, management, and external advisers / other stakeholders (including as part of site visits) as relevant and necessary.

During each financial year briefings and development sessions will be scheduled to continuously build Non-executive Directors' knowledge to ensure the Board remains up to date with developments within our Businesses, as well as developments in the markets in which the Group operates.

Business Risk and Audit Committee meetings

Business Risk and Audit Committee meetings take place yearly as part of the Group's financial governance framework. Directors who are members of the Board's Risk and Audit Committee chair the Business Risk and Audit Committee meetings.

Site visits

Structured opportunities are provided to build knowledge through visits to BHP sites.

It is proposed that new Non-executive Directors participate in two site visits during their first year on the Board. Site visits are arranged by Group Governance from time to time and details will be provided at that time.