

# **BHP**

# **People and Remuneration Committee Charter**

**Approved by the Board of BHP Group Limited to take effect on 1 July 2023**

## Role

1. The role of the People and Remuneration Committee (**Committee**) is to support and advise the Board of BHP Group Limited (**BHP**) (**Board**) on people and remuneration matters for BHP and its subsidiaries (the **Group**) as set out in this Charter. The Committee is accountable to the Board for its performance.
2. The Committee acts as an advisory body to the Board and has the authority of the Board as set out in this Charter or as otherwise delegated by the Board.

## People

3. The Committee will oversee the Group's key strategies and policies relating to people including for:
  - attraction, recruitment, motivation and retention;
  - remuneration;
  - employee engagement, leadership and talent development;
  - industrial relations; and
  - employee conduct.
4. The Committee will monitor and review the effectiveness of the Group's people and culture strategy and its alignment with the Group's purpose and values including making recommendations to the Board on the Group's values, Code of Conduct and purpose.
5. The Committee will review and make recommendations to the Board on the Group's policies in relation to diversity and inclusion. The Committee will review the Group's measurable objectives for achieving diversity below Board level and related disclosures and at least annually, the Group's progress in achieving the measurable objectives and the relative proportion of men and women in senior executive positions and across the Group's workforce.
6. The Committee will review reports and metrics on material workforce trends, employee engagement, industrial relations and people governance processes.

## Remuneration

### Executive and Director remuneration

7. The Committee will determine and make recommendations to the Board on the remuneration framework for the Group Chair, the Chief Executive Officer (**CEO**), other members of the Executive Leadership Team (**other ELT members**) and the Group Company Secretary. No Director or executive will be involved in deciding their own remuneration. The objective of the remuneration framework is to:
  - support the execution of the Group's business strategy;
  - encourage and sustain a culture aligned to the Group's values and BHP's purpose and risk appetite, including in relation to non-financial risk; and
  - provide competitive remuneration, which is linked to performance, to attract, motivate and retain highly skilled executives on a global basis.

### Chair and non-executive Director remuneration

8. The Committee will, having regard to the remuneration framework, review and make recommendations to the Board on the remuneration for the Group Chair each year.
9. The remuneration of non-executive Directors is a matter for the Group Chair and the executive Directors and will be reviewed by them each year having regard to the remuneration framework.
10. The Committee will approve the policy on travel-related expenses for the Group Chair and the non-executive Directors, and the procedure for authorising claims for expenses from the Group Chair, the non-executive Directors and the CEO.

### Chief Executive Officer remuneration

11. The Committee will, in consultation with the Group Chair and having regard to the remuneration framework, determine and recommend to the Board for approval:
  - a. the remuneration for the CEO on appointment;
  - b. any change to the base salary of the CEO;
  - c. prior to implementation, changes to the contract terms of the CEO or to any aspect of the CEO's remuneration not specifically addressed elsewhere in this Charter; and
  - d. awards under incentive plans to the CEO.
12. The Committee will review and recommend to the Board for approval of performance measures and performance outcomes against those performance measures for the CEO. The Committee will consider recommendations from the Sustainability Committee in relation to health, safety, environment, climate and community measures, recommendations from the Group Chair in relation to personal measures, feedback from the Risk and Audit Committee in relation to financial measures, and additional advice from other Committees as required.
13. The Committee will, in consultation with the Group Chair and having regard to the remuneration framework, review and recommend to the Board for approval whether to exercise any of the Board's discretions in respect of any incentive award made to the CEO.

### Remuneration of other ELT members and the Group Company Secretary

14. The Committee will, in consultation with the CEO and having regard to the remuneration framework, determine and approve:
  - a. the remuneration for other ELT members and the Group Company Secretary, on appointment;
  - b. any change to the base salary of other ELT members and the Group Company Secretary;
  - c. prior to implementation, changes to the contract terms of other ELT members and the Group Company Secretary or to any aspect of their remuneration not specifically addressed elsewhere in this Charter; and
  - d. awards under incentive plans to other ELT members and the Group Company Secretary.

The Committee must inform the Board of its decision about each of the matters above.

15. The Committee will approve performance measures and performance outcomes against those performance measures for other ELT members and the Group Company Secretary. The Committee will consider recommendations from the Sustainability Committee in relation to health, safety, environment, climate and community measures, recommendations from the CEO in relation to personal measures, feedback from the Risk and Audit Committee in relation to financial measures and additional advice from other Committees as required.
16. The Committee will, in consultation with the CEO and having regard to the remuneration framework, review and recommend to the Board for approval whether to exercise any of its discretions in respect of any incentive award made to other ELT members and the Group Company Secretary.

### Leaving entitlements for the CEO, other ELT members and the Group Company Secretary

17. The Committee will review leaving entitlements for the CEO, other ELT members and the Group Company Secretary to ensure they are consistent with the law, the rules of any incentive scheme and the remuneration framework, and that any payments made are fair to the individual and the Group.
18. The Committee will:
  - in consultation with the Group Chair and prior to implementation, determine, and recommend to the Board for approval, leaving arrangements for the CEO; and

- in consultation with the CEO and prior to implementation, determine and approve leaving arrangements for other ELT members and the Group Company Secretary, and inform the Board of its decision.

### Incentive plans

19. The Committee will:

- approve the rules of all incentive plans (including the delegation of powers, as appropriate, to management to operate those plans); and
- review plans in light of legislative, regulatory and market developments and having regard to the remuneration framework where relevant.

20. The Committee will, for each plan, except those where operational authority has been delegated to management, and having regard to the remuneration framework:

- determine each year whether awards are made under the plan;
- approve total proposed awards and vesting outcomes under the plan;
- approve proposed awards under the plan on an individual basis for executives as required under the rules governing the plan or as determined by the Committee; and
- approve the performance measures and targets to be used and the performance of the plan.

### Employee remuneration

21. The Committee will oversee any major changes in employee benefits structures in the Group.

22. The Committee will support the Board in its review, at least annually, of remuneration by gender and recommend strategies or changes to address any pay gaps.

## Disclosure

23. The Committee will review and recommend to the Board for approval disclosures in the Annual Report related to employee and remuneration matters, including the Remuneration Report to be included in the Group's Directors' Report.

## Committee procedures

### Reporting

24. The Committee will report to the Board following each Committee meeting and must refer matters to other Committees where relevant.

### Membership

25. All Committee members must be independent non-executive Directors, as determined by the Board in accordance with the Policy on Independence of Directors.

26. The Committee must consist of at least three members.

27. Members are proposed by the Nomination and Governance Committee and approved by the Board. The Board will appoint a member of the Committee to be the Committee Chair.

### Advice and resourcing

28. The Committee may appoint and instruct expert advisers who are advisers solely to the Committee, including engaging remuneration consultants required to assist the Committee in matters related to the Group's remuneration strategy, framework and policies. The Committee may meet with external advisers without management being present.

29. Before selecting any adviser to the Committee, the Committee must consider all factors relevant to such persons' independence from management.

30. The Committee will have sufficient resources, as determined by the Committee, to run effectively.
31. The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise.
32. The Committee will determine the compensation payable to independent advisers, and the Group Company Secretary will assist the Committee in securing the service determined necessary and the cost of such advisers are to be borne by the Group.
33. The Committee will assist the Board in its assessment of whether a remuneration recommendation made by an adviser was made free from undue influence by the member or members of the key management personnel to whom the recommendation relates.
34. Each Committee member, with the consent of the Committee Chair (whose consent must not be unreasonably withheld) and the assistance of the Group Company Secretary, may seek independent professional advice at the expense of the Group on any matter connected with the discharge of his or her responsibilities.
35. The Committee will have unrestricted access to personnel, records and senior management as appropriate.

### Meetings

36. The Group Company Secretary, or a designate, is the Secretary of the Committee.
37. The Committee will meet as frequently as required but not less than three times a year. Any Committee member may request the Secretary to call a meeting.
38. Any person may be invited to attend meetings of the Committee, but not necessarily for the full duration of the meeting. All non-executive Directors have a standing invitation to attend with the consent of the Committee Chair.
39. At the discretion of the Committee Chair, separate meetings may also be held with any member of Group management.
40. A quorum will comprise any two Committee members.
41. In the absence of the Committee Chair or an appointed delegate, the members must elect one of their number as Committee Chair for that meeting. The Committee Chair does not have a second or casting vote.

### Review and planning

42. The Committee will approve its annual plan.
43. The Committee will evaluate its performance each year by reference to this Charter.
44. The Committee members will participate in a program of induction, training and development.
45. This document will be reviewed by the Board as required and at least annually.