

## LETTER OF APPOINTMENT

Office of the Chairman  
BHP Billiton Limited  
BHP Billiton Centre 180 Lonsdale Street  
Melbourne Victoria 3000 Australia  
GPO Box 86A  
Melbourne Victoria 3001 Australia  
Tel [            ]  
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bhpbilliton.com

[Insert Date]

[Name of Candidate]

[Address]

Dear [Name]

Appointment as Non-executive Director

### **Appointment**

Following our recent discussions, I am very pleased to confirm my invitation to you to join the Boards of BHP Billiton Plc and BHP Billiton Limited (BHP Billiton) as a Non-executive Director.

### **Term of appointment and vacation of office**

Your appointment is subject to confirmation of your appointment by the BHP Billiton Boards on [insert date] and receipt of your consent to act as a Director of BHP Billiton following which you will hold office from a date to be agreed until the later of the [year] annual general meetings of BHP Billiton.

At any time during your tenure, including when you become subject to re-election under BHP Billiton's constitutions or the law, your performance as a Director will be reviewed in accordance with processes agreed by the Boards from time to time. A recommendation as to your re-appointment may be made in notices of meeting or other material provided to shareholders. You agree to participate in such reviews.

You may cease to hold office as a Director:

- at any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-election where that is possible so that BHP Billiton can plan for succession of skills and experience on the Boards; and
- in accordance with the law or the constitutions of BHP Billiton. Currently rules 83 (if you retire by rotation and are not re-elected), 88 (appointments to fill a casual vacancy) or 89 (general vacation of office provisions) deal with this issue, but the shareholders may change these at any time.

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This letter refers only to your appointment as a Non-executive Director. The Boards may from time to time request you to participate in one or more Board committees, subject to your agreement.

### **Role**

I refer you to Annexure [ ] the Board Governance Document which discusses the role of the Board and outlines the processes it has developed in carrying out its role.

As a Non-executive Director of BHP Billiton, you will be expected to participate as a member of the Boards in:

- constructively challenging and helping to develop proposals on strategy of the Group;
- setting values and standards for the Group and establishing systems for their communication and monitoring;
- monitoring the performance of management in meeting agreed goals and objectives and ensuring that the necessary financial and human resources are in place to enable the Group to meet those goals and objectives;
- satisfying yourself as to the adequacy and integrity of financial and other reporting to the Boards and shareholders and that there are adequate systems of internal control; and
- satisfying yourself that systems for identification and management of risks are robust and appropriate.

While you have been selected on the basis of ensuring that the Boards have a mixture of skill and experience which they require, you are not expected to participate on the Boards as an expert.

As a Director of BHP Billiton, you will have legal duties and obligations under Australian and UK law. It is expected that you will familiarise yourself with the relevant Directors' Duties, as set out in the schedule in Annexure [ ].

### **Time commitments**

I anticipate that your duties as a Non-executive Director of BHP Billiton will involve a commitment of approximately 45 days in each year. Currently that would typically comprise attendance at:

- eight scheduled Board meetings. A majority of these will occur in Australia. One of those meetings will usually be conducted electronically. The rest would typically cover at least two days but could extend up to five days for visits to sites. Travel will be in addition to this;
- the annual general meetings;
- site visits; and
- Board committee meetings which occur at times other than those days set aside for Board meetings. If you are appointed as a chairman of any committee, you may expect a further call on your time to fulfil that role.

A schedule of Board and committee meetings for [years] can be found at Annexure [ ].

In addition, you will be expected to devote appropriate preparation time ahead of each meeting and to attend such ad hoc meetings as may be necessary or convenient.

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By accepting this appointment, you confirm that you are able to allocate sufficient time to meet these expectations. You should consult with me as Chairman before you accept any additional commitments (including other Board appointments) which may conflict with, or impact upon, the time you are able to devote to your role as a Non-executive Director of BHP Billiton. Your appropriate commitment of time to the affairs of the BHP Billiton Group will be one of the issues addressed in performance reviews.

The heavy travel burden associated with attending meetings in two hemispheres is recognised and Directors are, with my consent as Chairman, permitted to attend meetings “electronically” when necessary.

### **Technology**

By consenting to become a Director, you consent to the use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors’ meetings. You can withdraw this consent by notification to the Group Company Secretary a reasonable period before a Board or committee meeting is held.

### **Independence and other interests**

The Independence Policy and Questionnaire adopted by the Boards to assess the independence of Directors of BHP Billiton is in Annexure [ ]. You have confirmed to me that you regard yourself as an independent Director within the framework of those guidelines. As outlined above, confirmation of your appointment is still subject to the Board also assessing that you are an independent Director.

If your circumstances change in any way which may affect your status as an independent Director, you must immediately disclose this to the Boards.

BHP Billiton accepts that you will have business interests other than those of the BHP Billiton Group. You will provide to us a declaration of interest (Annexure [ ]) which will be tabled at the Board meeting to consider your candidacy.

Disclosure of interests is a continuing obligation. If your circumstances change, and you acquire any office or property which may conflict with your office as a Director of BHP Billiton or the interest of the BHP Billiton Group, then you must disclose its character and extent as soon as possible. This should be done in writing. You may wish to consult with me as Chairman, or the Group Company Secretary, as soon as you become aware of any potential conflict. Any interest that constitutes an actual or potential conflict will be subject to authorisation by Directors in accordance with UK law.

You should be aware that under the law and the constitutions you will generally not be entitled to attend any part of a Board meeting, or to vote, on any matter in which you have a material personal interest unless the other Directors unanimously decide otherwise. Any material interests are required to be disclosed in the annual report and the accounts under the United Kingdom Companies Act and the Listing

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Rules of the UK Listing Authority. Similar obligations exist under the Australian Corporations Act and the Listing Rules of the Australian Securities Exchange.

### **Remuneration and expenses**

Each Non-executive Director is paid a base fee which is currently US\$140,000 per annum. Fees are payable monthly and will be deposited into your bank account, details of which you will provide to us. Under arrangements agreed with the United Kingdom Inland Revenue and the Australian Taxation Office, 58% of the total fee will be paid by BHP Billiton Limited and the balance will be paid by BHP Billiton Plc. Allowances will similarly be split. Some further information is set out in Annexure [ ].

Directors may, in addition, receive a fee for devoting special attention to the business of the BHP Billiton Group which is outside the scope of ordinary duties, or where any business journey must be undertaken. Current fees are:

- US\$50,000 per annum for acting as a chair of the Risk & Audit Committee;
- US\$35,000 per annum for acting as a chair of each of the Sustainability and Remuneration Committees;
- US\$25,000 per annum for acting as a member of the Risk & Audit Committee;
- US\$20,000 per annum for acting as a member of the Remuneration Committee;
- US\$20,000 per annum for acting as a member of the Sustainability Committee; and
- a travelling allowance. This is calculated by reference to the duration of travel required to attend Board or committee meetings, being \$US7,000 for more than 3 hours but less than 12 hours of continuous travel and \$US15,000 for more than 12 hours of air travel.

These amounts or the nature of the benefit may be changed by the shareholders or the Board. You will not be entitled to a retirement allowance. BHP Billiton will contribute to a superannuation scheme for your benefit in accordance with statutory requirements.

You have agreed that for so long as it is Board policy, you will apply at least 25% of your remuneration to the purchase of BHP Billiton shares (or American Depositary Receipts) in either BHP Billiton Limited or BHP Billiton Plc until you achieve a shareholding equivalent in value to one year's remuneration and thereafter to maintain at least that level of shareholding throughout your tenure.

You are entitled to be paid other expenses you properly incur concerning BHP Billiton's affairs. Except for expenses associated with travelling, you should obtain the Chairman's approval of the expense before you incur it.

### **Induction**

You have agreed to participate in an induction program that includes:

- meetings with shareholders;
- one-on-one meetings with members of management; and
- visits to key assets.

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You will also receive an induction pack of information concerning the Group from the Group Company Secretary. You should feel free to request any further information which you require either from me, or from her, at any time.

### **Continuous improvement and directors' appraisal**

The Board believes that progressive organisations appreciate the challenge of operating in today's business environment.

You agree that you will participate in:

- continuous improvement programs from time to time determined by the Board as being appropriate for Directors, at the expense of BHP Billiton and whether or not those programs are offered by BHP Billiton; and
- participate in processes of internal and external review of Director, Board and committee performance as may be determined to be appropriate by the Board from time to time. You acknowledge that such processes may result in positive or negative recommendations in relation to your candidacy for re-appointment to the Board.

If there are any issues which cause you concern about the Board or your individual performance, or the performance of any committee, you should feel free to raise it with me as Chairman at any time.

### **Indemnity, insurance and access to company documents**

Annexure [ ] is a summary of the current Directors' and Officers' Insurance Policy. This policy will be extended to you from the date of your appointment. Annexure [ ] and [ ] is a copy of the Directors' Deed of Indemnity, Insurance and Access which will be executed by BHP Billiton Limited and BHP Billiton Plc as a condition of your agreement to be appointed as a Director.

Under Australian law, Directors have a right of access to financial records and they may make copies of books (other than financial records) for the purposes of certain legal proceedings. This latter right continues for 7 years after you cease to be a Director.

### **Independent advice**

With the approval of the Chairman, you may seek independent professional advice, at the expense of BHP Billiton, on any matter connected with the discharge of your responsibilities. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

### **Constitution charters and policies**

BHP Billiton has developed constitutions and a range of charters and policies which govern conduct of the Directors and employees and set out the values, standards and procedures of the Group in dealing with all stakeholders. You should familiarise yourself with them. You may access them from the website at [www.bhpbilliton.com](http://www.bhpbilliton.com) or the Group Company Secretary will provide you with hard copies at your request. You acknowledge that your conformity with these constitutions, charters and policies will be an element in any assessment of your performance as a Director of BHP Billiton.

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### **Notification of personal interests**

Under the Listing Rules of the Australian Securities Exchange, the UK Listing Authority, the New York Stock Exchange and the various other exchanges on which BHP Billiton securities are traded, BHP Billiton may be required to provide information about you to those stock exchanges. Filings concerning you must also be made with various government authorities.

You agree that you will provide to the Group Company Secretary promptly (and within required timeframes for filing that information) all information about you which may be required for this purpose including (without limitation):

- details of your name, address, date and place of birth; and
- details of dealings by you, your spouse and minor children and entities associated with you or any of them, in securities issued by BHP Billiton.

Please note you are required to obtain the consent of the Chairman before dealing in securities of BHP Billiton and there are designated prohibited periods for dealing. This information is set out in the Group's Securities Dealing Procedure, a copy of which is in Annexure [ ]. By accepting this appointment, you agree to be bound by the provisions of the Dealing Procedure.

### **Group Company Secretary**

The Group Company Secretary of BHP Billiton Limited and BHP Billiton Plc is Ms Jane McAloon. All Directors have access to her advice and services.

### **Confidentiality**

All information obtained during your appointment is confidential to BHP Billiton and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman, or as required by law.

I also draw your attention to both legislation and BHP Billiton's policy prohibiting disclosure or use of price sensitive information.

We look forward to welcoming you to our Boards. Please feel free to contact me on [number] or Jane McAloon on [number] if you have any queries in relation to the above. If you need specific assistance with the completion of any of the documentation attached, Jane would be happy to assist you.

Yours sincerely

**J Nasser**

Chairman

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## Acknowledgment

I, [Director's Name], hereby accept the terms of appointment set out in this letter.

.....  
Signature

.....  
Date

[This is a model letter of appointment. Actual terms may vary when agreed with individual directors].