

# BHP Billiton Group Global Employee Share Plan

## **BHP Billiton Plc**

As approved by shareholders at the AGMs on 26 October 2006 and 29 November 2006, with amendments as approved by the Remuneration Committee Chair on 22 March 2013.



HERBERT  
SMITH  
FREEHILLS

## BHP Billiton Plc

### Global Employee Share Plan Rules

The purpose of the Plan is to offer Employees of Group Companies the opportunity to acquire shares in the Company. It is part of a global equity plan being offered by BHP Billiton Limited and BHP Billiton Plc to their respective employees.

It is intended that employees will acquire a number of shares in the Company that will, after being held for a specified period, entitle continuing employees to receive additional shares in the Company for no further consideration.

## 1 Definitions and interpretation

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### 1.1 Definitions

In these rules:

**Acquired Share** means a Share purchased by or on behalf of a Participant;

**Allocation Date** means the date on which a Participant is allocated Matched Shares under the Plan;

**Board** means the board of directors of the Company or a committee appointed by the Board for the purposes of the Plan;

**Company** means BHP Billiton Plc (registered in England and Wales under number 03196209);

**Employee** means an employee of any Group Company, other than a non-executive director of the Company, who the Board, in its discretion, determines to be eligible to participate in the Plan;

**Exchange** means the home exchange on which Shares are listed, as determined by the Board for the purposes of the Plan;

**Good Leaver** means a person who ceases employment with the group in circumstances approved by the Board for the purposes of the Plan which may, without limiting the discretion of the Board, include death, total and permanent disability or bona fide redundancy as determined by the Board in its absolute discretion;

**Group Company** means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan;

**Limited** means BHP Billiton Limited ACN 004 028 077;

**Limited Entity** means Limited and its subsidiaries;

**Listing Rules** means the official Listing Rules of the Exchange as they apply to the Company from time to time;

**Matching Conditions** means the conditions determined by the Board from time to time, including retaining some or all Acquired Shares for the Qualification Period, which a Participant must satisfy to be entitled to receive Matched Shares;

**Matched Share** means a Share to which a Participant becomes entitled pursuant to rule 5(a) upon satisfaction of the Matching Conditions;

**Participant** means an Employee whose application to purchase Acquired Shares and participate in the Plan has been accepted by the Board;

**Plan** means the BHP Billiton Global Employee Share Plan as set out in these rules, subject to any amendments or additions made under rule 8;

**Prohibited Period** has the meaning given under the Securities Dealing GLD;

**Qualification Period** means the period prescribed by the Board in accordance with rule 5A;

**Securities Dealing GLD** means the Company's Securities Dealing Group Level Document as amended from time to time, and any successor to that document;

**Share** means a fully paid ordinary share in the capital of the Company; and

**Subsidiary** has the meaning given in section 736 of the Companies Act 1985.

## 1.2 Interpretation

In these rules, the following apply unless a contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these rules unless the context requires otherwise;
- (b) any reference in these rules to any enactment or the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced and to all regulations or instruments issued under it;
- (c) any words denoting the singular include the plural and words denoting the plural include the singular;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in these rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) if a defined term has a meaning given under the act of the jurisdiction pursuant to which the Company is registered, that meaning applies for the purposes of these rules;
- (g) a reference to a power, right or discretion being exercisable by the Board is taken to be a reference to that power, right or discretion being exercisable by a delegate of the Board;
- (h) a reference to Acquired Shares being purchased includes a reference to those shares being acquired by subscription or allocated under these rules; and
- (i) a reference to Acquired Shares being purchased by a Participant includes a reference to the acquisition, procurement or purchase of those shares by the Company or another person on behalf of or for a Participant.

## 2 Invitation and application

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### 2.1 Invitation

- (a) The Board may, from time to time, at its discretion, make invitations to Employees to participate in the Plan.
- (b) An invitation may be upon the terms and subject to any restrictions that the Board decides.

- (c) Without in any way limiting the Board's discretion an invitation should provide the following information:
- (1) the maximum value of Acquired Shares that an Employee may purchase under the Plan (not exceeding US\$10,000 per annum);
  - (2) the method of determining the price (if any) at which Acquired Shares will be offered;
  - (3) the Qualification Period;
  - (4) the Matching Conditions;
  - (5) the maximum ratio of Matched Shares to Acquired Shares that may be awarded to a Participant (not exceeding 1:1);
  - (6) the final date for receipt of applications; and
  - (7) any other specific terms and conditions which apply to the invitation, the Acquired Shares or the Matched Shares.

## 2.2 Eligibility

An Employee is only eligible to apply to participate in the Plan and purchase Acquired Shares under the Plan if he or she has satisfied criteria that the Board from time to time decides.

## 2.3 Price of Shares

The Board may determine the price (if any) at which Shares will be offered for purchase to an eligible Employee.

## 2.4 Application and Acceptance

- (a) An application to participate in the Plan must be made in accordance with the instructions which accompany the invitation or in any other way the Board decides.
- (b) The Board may accept or reject any application in its discretion.
- (c) If a person ceases to satisfy the eligibility requirements under rule 2.2, that person is no longer entitled to participate in the Plan.

## 2.5 Personal nature

An Employee may only apply for Acquired Shares to be purchased in his or her own name or on his or her behalf.

# 3 Acquired Shares

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## 3.1 Acquired Shares

- (a) Shares that are to be purchased by or on behalf of a Participant may be:
  - (1) new Shares to be issued by the Company; or
  - (2) existing Shares to be purchased whether on the Exchange or otherwise,

as determined by the Board from time to time.

- (b) The Board may at any time determine how Acquired Shares are to be held under the Plan prior to satisfaction of the Matching Conditions. Without limiting the Board's discretion, the Board may establish a trust for the purposes of the Plan to hold these Acquired Shares.

### **3.2 Advice to Participants**

A Participant who has applied to purchase Acquired Shares under the Plan will be regularly advised of the number of Acquired Shares that have been purchased on his or her behalf and the maximum number of conditional rights to Matched Shares attached to those Acquired Shares.

### **3.3 Shareholder entitlements – Acquired Shares**

Subject to these rules, a Participant is absolutely entitled to each Acquired Share purchased by or on behalf of that Participant and will be entitled to:

- (a) direct the manner in which their Acquired Shares are voted;
- (b) receive all dividends paid or credited on the Acquired Shares;
- (c) participate in any corporate action or capital re-organisation involving the Acquired Shares; and

(d) sell their Acquired Shares or direct the sale of their Acquired Shares, from the date the Acquired Shares are purchased by or on behalf of the Participant.

### **3.4 Transaction costs**

The Company is authorised, but not required, to bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the acquisition of Shares (whether Acquired Shares or Matched Shares) by or on behalf of the Participants under the Plan.

### **3.5 Listing**

Following the issue of any new Shares under this Plan, the Company will, where shares in the same class as the newly issued Shares are quoted on the Exchange, apply to the Exchange for quotation of those Shares no later than the end of the restriction period (if any) applicable to the Shares, unless otherwise required by the Listing Rules.

## **4 Restriction on purchase and disposal of Shares**

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### **4.1 Restriction period and other conditions**

- (a) The Board may, in its discretion, determine that a restriction period or other conditions will apply to some or all of the Acquired Shares and/or some or all of the Matched Shares, and may determine the terms and conditions applying to any such restriction period or other conditions.
- (b) If the Board determines a restriction period, a Participant must not dispose of or otherwise deal, or purport to deal, with any Acquired Shares and/or Matched Shares (or entitlement to Matched Shares) which are subject to a restriction

period otherwise than in accordance with any process determined by the Board for the withdrawal of Shares from the Plan.

- (c) If the Board determines that no restriction period applies, or does not impose a restriction period, in respect of Acquired Shares and/or Matched Shares (or entitlement to Matched Shares), a Participant may deal with those Shares (or that entitlement) subject to rule 4.1(d) and the Securities Dealing GLD.
- (d) If the Board imposes another condition in accordance with rule 4.1(a), a Participant must satisfy that condition.

## 4.2 Enforcement of restriction period

The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares allocated to or on behalf of a Participant for as long as those Shares are subject to a restriction period.

## 5 Matched Shares

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- (a) Subject to rules 4.1(b) and 4.1(d), upon satisfaction of the Matching Conditions a Participant becomes absolutely entitled to Matched Shares in the ratio advised in the invitation pursuant to rule 2.1 for each Acquired Share held at the end of the Qualification Period.
- (b) Unless the Board determines otherwise, a Participant is not legally or beneficially entitled to a Matched Share prior to satisfaction of the Matching Conditions and will only become entitled to vote, receive dividends and participate in any corporate actions or capital reorganisation affecting the Matched Shares after the Allocation Date.

### 5A Qualification Period

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- (a) The Qualification Period means the period prescribed by the Board from time to time during which a Participant must remain employed by a Group Company for the Participant to be eligible to continue to participate in the Plan.
- (b) The Board may (but is not obliged to) extend the last date of the Qualification Period for a Participant if that Participant is prohibited from dealing in Shares pursuant to the Securities Dealing GLD.

## 6 Cessation of employment

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### 6.1 Acquired Shares

Subject to rule 6.4, where a Participant ceases to be an employee of a Group Company:

- (a) the Participant ceases to participate in the Plan and no further Acquired Shares will be purchased for or on behalf of that Participant; and
- (b) any restriction period imposed on any Acquired Shares purchased by or on behalf of the Participant also ceases.

## 6.2 Matched Shares before satisfaction of Matching Conditions

- (a) Subject to rule 6.4, a Participant (other than a Good Leaver) who ceases to be an employee of a Group Company prior to becoming entitled to Matched Shares in accordance with rule 5(a) loses all conditional rights to the Matched Shares.
- (b) Subject to rule 6.4, the Board may in its absolute discretion determine that a Participant is a Good Leaver and that that Participant is entitled to all or some of the Matched Shares:
  - (1) upon the Good Leaver ceasing to be an employee of a Group Company; or
  - (2) where the Good Leaver ceases to be an employee of a Group Company during a Prohibited Period and the Board determines that it is appropriate to postpone the date the Participant is allocated the Matched Shares, upon the first day after the end of that Prohibited Period.
- (c) Without limiting the Board's discretion, the number of Matched Shares which the Board may allocate to a Good Leaver under rule 6.2(b) will, in general, be determined having regard to the number of months that the Good Leaver has been employed during the Qualification Period.

## 6.3 Matched Shares after satisfaction of Matching Conditions

Subject to rule 6.4, if the terms of issue do not provide for immediate allocation of Matched Shares following satisfaction of the Matching Conditions, then all Matched Shares to which a Participant becomes entitled in accordance with rule 5(a) will be allocated:

- (a) immediately upon that Participant ceasing to be an employee of a Group Company; or
- (b) where that Participant ceases to be an employee of a Group Company during a Prohibited Period and the Board determines that it is appropriate to postpone the date the Participant is allocated the Matched Shares, upon the first day after the end of that Prohibited Period.

## 6.4 Transfer between entities

The Board may determine that a Participant who transfers from a Group Company to a Limited Entity will not be treated as having ceased to be employed by a Group Company and is still able to satisfy the Matching Conditions, or may ask the Participant to elect to be so treated.

# 7 Corporate actions

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## 7.1 Reconstructions

Subject to the Listing Rules, if the Company reconstructs its capital in any way, Shares acquired under the Plan will be affected in the same way as other Shares.

## 7.2 Takeovers

In the event of each of:

- (a) an offer being made for the entire or majority of the issued share capital of the Company; and
  - (b) such offer for Shares becoming unconditional,
- the Board may, in its absolute discretion, determine that:
- (c) any restrictions imposed in accordance with rule 4 cease; and
  - (d) any Matching Conditions that have not been satisfied as at the relevant time have been satisfied in whole or part.

## 7.3 Mergers

If the Company merges with another company or another corporate action (including a scheme of arrangement) is sanctioned by the court or approved by the Company's shareholders pursuant to which control of the company passes from the then current shareholders of the Company to another person or persons, the Board may, in its discretion, determine that:

- (a) any restrictions imposed in accordance with rule 4 cease; and
- (b) any Matching Conditions that have not been satisfied as at the relevant time have been satisfied in whole or part.

# 8 Administration of the Plan

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## 8.1 Board powers

The Board will administer the Plan and may:

- (a) delegate to any person for the period and on the terms it decides the exercise of any of its powers or discretions under the Plan;
- (b) decide on appropriate procedures for administering the Plan, including the form of application and other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Shares allocated under the Plan, and the decision of the Board is final and binding upon all persons;
- (d) amend, add to or waive all or any of the provisions of the Plan (including this rule), or any restriction or other condition relating to any Shares allocated under the Plan; and
- (e) waive any breach of a provision of the Plan.

## 8.2 Legal and administrative constraints and Sub-Plans

- (a) Despite any other rule, an Employee may not purchase Acquired Shares or be allocated Matched Shares under the Plan if it appears to the Board that doing so would contravene these rules, the Company's constitution, the Listing Rules or any law of a jurisdiction in which the person resides or, at the Board's



discretion, would give rise to unreasonable cost or regulatory requirements for the Company.

- (b) The Board may adopt rules of the Plan applicable in any jurisdiction (**Sub-Plans**) under which Shares offered under the Plan or the way in which the Plan is operated may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to an Employee or to any Group Company in relation to the Shares or any of the provisions of the Plan.
- (c) Where it is legally or administratively prohibitive or impractical for Employees in particular jurisdictions to purchase Acquired Shares or be allocated Matched Shares under the Plan, the Board may in its absolute discretion elect to implement an alternative plan to ensure Employees located in those jurisdictions are able to participate.

### 8.3 Limitation on amendments

Subject to these rules:

- (a) without the consent of the Participant, no amendment may be made to any restriction or other condition relating to any Acquired Shares purchased or Matched Shares to which a Participant becomes entitled under the Plan, which reduces the rights of Participants to those Shares; and
- (b) without the consent of the Company in general meeting no amendment may be made which is to the advantage of Employees in respect of:
  - (1) eligibility;
  - (2) the maximum value of Acquired Shares that an Employee may purchase under the Plan pursuant to rule 2.1(c)(1);
  - (3) the maximum ratio of Matched Shares to Acquired Shares that may be awarded to a Participant under rule 2.1(c)(5);
  - (4) the limitation on the number of Shares which may be issued under the Plan pursuant to rule 9;
  - (5) the basis for determining the entitlement of a Participant to any Shares; and/or
  - (6) the provisions applicable on a variation of capital, other than a minor amendment made primarily to:
    - (7) benefit the administration of the Plan;
    - (8) take account of a change in legislation; or
    - (9) obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or any Group Company operating the Plan for its Employees.

### 8.4 Board's Discretion

The Board has absolute and unfettered discretion:

- (a) to act or refrain from acting under these rules or concerning the Plan or any Shares allocated under the Plan; and
- (b) in exercising any power or discretion concerning the Plan or any Shares allocated under the Plan.

## 9 Issue limitations

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### 9.1 10% in 10 years

The number of Shares which may be issued under the Plan on any day must not exceed 10% of the combined issued ordinary share capital of the Company and Limited immediately before that day, when added to the total number of Shares which have been issued in the previous 10 years under the Plan and any other employee share scheme operated by the Company or Limited.

### 9.2 Exclusions

For the avoidance of doubt, where the right to be allocated Matched Shares is released or lapses, the Matched Shares concerned are ignored when calculating the limits in this clause 9.

## 10 No compensation or damages

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### 10.1 Terms of employment not affected

- (a) The rights and obligations of a Participant under the terms of his or her office, employment or contract with a Group Company are not affected by his or her participation in the Plan.
- (b) These rules do not form part of, and will not be incorporated into, any contract of a Participant (whether or not they are an employee of a Group Company).

### 10.2 No right to compensation

No Participant has any right to compensation or damages as a result of the termination of his or her office, employment or other contract with a Group Company for any reason (whether lawful or unlawful) in connection with the Participant ceasing to have rights under the Plan as a result of the termination.

## 11 Funding of purchase of shares

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The Board may at any time decide that:

- (a) all, or any, Group Companies should pay specified amounts under the Plan, in respect of Shares to be purchased or allocated under this Plan and that each such Group Company will pay that amount as directed by the Company for this purpose;
- (b) Participants should pay specified amounts under the Plan as directed by the Company in respect of Shares to be purchased under the Plan; and
- (c) the Company may provide additional benefits for any Participant on such terms as the Board determines.

## 12 Withholding

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- (a) If any Group Company or its representative is obliged, or reasonably believes they have an obligation, as a result of or in connection with:
- (1) the purchase of any Acquired Shares by or on behalf of a Participant;
  - (2) the grant, vesting or allocation of any Matched Shares to or on behalf of a Participant; or
  - (3) the payment of an amount equivalent to an Acquired Share, Matched Share or dividend payable on an Acquired or Matched Share by, to or on behalf of a Participant,
- to account for income tax or employment taxes under any wage, withholding or other arrangements or for any other tax, social security contributions or levy or charge of a similar nature, then that Group Company or its representative is entitled to, at their election:
- (4) withhold such amounts and make such arrangements as it considers necessary; or
  - (5) be reimbursed by the Participant for the amounts so paid or payable.
- (b) Where paragraph (a) applies, a Group Company is not obliged to pay the relevant amount or issue, transfer or allocate the relevant Shares to the Participant unless the Group Company or its representative is satisfied that arrangements have been made for withholding, payment or reimbursement. Those arrangements may include, without limitation, at the Group Company or its representative's election:
- (1) the Participant foregoing their entitlement to an equivalent number of Shares that would otherwise be issued, transferred or allocated to the Participant;
  - (2) a reduction in any amount under rule 12(a)(3) that is otherwise payable to the Participant; or
  - (3) the sale, on behalf of the Participant, of Shares issued, transferred or otherwise to be allocated to the Participant and where this happens, the Participant will also reimburse the costs of any such sale (e.g. stamp duty, brokerage, etc.).
- (c) The Board may require any Participant, as a condition of the allocation of any Matched Shares, to enter into an agreement transferring any liability of any Group Company to social security contributions in respect of those shares or options.

## 13 Notices

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- (a) A notice or other communication under or concerning the Plan is validly given:
- (1) by the Company to an Employee, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile or email at his or her place of work or posted on an electronic noticeboard maintained by the Company and accessible by the Employee; and

- (2) by an Employee to the Company if delivered or sent by prepaid post addressed to the company secretary of the Company at the Company's registered office (or any other address the Board specifies).
- (b) A notice or other communication sent by post will be treated as received 48 hours after it was posted.

## 14 Governing law

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The Plan is governed by the laws of England and Wales.