

BHP BILLITON LTD
Form 6-K
August 23, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

August 23, 2013

| <u>Commission File Number</u> | <u>Translation of registrant's name into English; Address of principal executive offices</u> |
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| | BHP Billiton Limited (ABN 49 004 028 077) 180 LONSDALE STREET, MELBOURNE, VICTORIA 3000 AUSTRALIA |
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| - | BHP Billiton Plc (REG. NO. 3196209) NEATHOUSE PLACE, VICTORIA, LONDON, UNITED KINGDOM |
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Indicate by check mark whether the registrant files or will

file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

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information contained in this form is also thereby furnishing the

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information to the Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the
registrant in connection with Rule 12g3-2(b): 82-

NEWS RELEASE

Release Time:
IMMEDIATE

Date:
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2008 LONG TERM INCENTIVE PLAN VESTING AND CEO AWARDS OUTCOME

2008 Long Term Incentive Plan Vesting

BHP Billiton today announced the vesting outcomes for the five year Long Term Incentive Plan (LTIP) awards granted in 2008. The LTIP applies to members of the Group Management Committee (GMC).

For awards to vest in full, BHP Billiton must deliver a US dollar total shareholder return (TSR) that exceeds the TSR of a group of peer companies by an average of 5.5 per cent per year for five years, or 30.7 per cent in total compounded over the five year performance period. The performance period ended on 30 June 2013.

The weighted average TSR for peer companies was negative 44.0 per cent which compared to BHP Billiton's TSR of negative 9.4 per cent. As a result, BHP Billiton outperformed its peer companies by 34.6 per cent, and therefore met the requisite performance hurdle for full vesting.

The rules of the LTIP give the Remuneration Committee of the Board discretion to reduce the number of awards that will vest, notwithstanding the fact that the performance hurdle for full vesting has been met.

This year the Committee, with the support of the Board, exercised that discretion and reduced vesting by 35 per cent for all current and former participating GMC members. Accordingly, 35 per cent of awards will not vest and will instead lapse.

In doing so, the Committee took into account a range of factors, including the negative TSR over the five year performance period which shareholders have experienced. While the Committee recognised that the TSR performance was delivered in a difficult business environment, it also felt that more closely aligning the experience of shareholders and executives was important. As always, the Committee also looked at the total remuneration for executives.

The approach adopted by the Committee is consistent with the downwards re-basing of executive remuneration that was undertaken when Andrew Mackenzie was appointed Chief Executive Officer earlier this year, the outcome of which was reported at that time.

CEO Awards Outcome

When Andrew joined BHP Billiton in 2008, he was granted 450,964 awards based on the 2008 LTIP terms.

- 225,000 of the LTIP awards were granted in the ordinary course in connection with his role as Chief Executive Non Ferrous and reflected the grant sizes to the other business Chief Executives (“Regular Awards”).
- A further 225,964 awards (comprising 100,839 LTIP awards and 125,125 phantom LTIP awards) were granted in order to compensate him for equity awards forgone when he left his former employer (“Sign-on Awards”). The value and quantum of the Sign-on Awards was determined on the recommendation of the Committee’s independent adviser, Kepler Associates and disclosed at the time.

As all of the 450,964 awards were granted on terms that mirrored the 2008 LTIP, they have now been tested against the TSR performance hurdle and are all subject to the 35 per cent reduction.

In addition, Andrew has concluded, and the Committee agrees, that despite the outperformance of BHP Billiton compared to its peer group, the value delivered through vesting of the Sign-on Awards would be excessive. Accordingly, Andrew has elected to voluntarily relinquish a further 50,000 of the Sign-on Awards, on top of the 35 per cent reduction.

This means 243,126 of the 450,964 awards originally granted to Andrew have vested. The 243,126 vested awards are delivered to Andrew via 211,795 ordinary shares and a cash payment representing 31,331 phantom LTIP awards.

All of the outcomes described above reflect a remuneration structure that the Committee and the Board believe has contributed to the substantial financial outperformance of BHP Billiton over many years, but also reflect a more modest approach to remuneration befitting the times.

The attached table contains the vesting outcomes for each current and former GMC member who participated in the 2008 LTIP.

Deferred shares granted to GMC members in 2011 under the Group Incentive Scheme based on performance during the year ended 30 June 2011 have also vested. Full details of the remuneration outcomes, together with an overview of the Company’s remuneration policy and approach, will be set out in the Remuneration Report that will be published in September as part of the Company’s 2013 Annual Report.

Further information on BHP Billiton can be found at: www.bhpbilliton.com.

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BHP Billiton Limited ABN 49 004 028 077

Registered in Australia

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BHP Billiton Plc Registration number 3196209

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Members of the BHP Billiton Group which is headquartered in Australia

ATTACHMENT

The following table shows the vesting outcomes for current and former GMC members who participated in the 2008 LTIP (Mr Yeager and Mr Vanselow having left the Company on 8 July 2013 and 28 February 2012, respectively):

2008 LTIP Participant:

A Mackenzie

Awards Available For Vesting:

(a)225,000 (Regular)

(b)225,964 (Sign-on)

Vesting Percentage:

(a)65%

(b)65%

Lapsed Awards:

(a)78,750

(b)79,088

Relinquished Awards:

(a)Nil

(b)50,000

Vested Awards:

(a)146,250

(b)96,876

2008 LTIP Participant:

M Kloppers

Awards Available For Vesting:

500,000

Vesting Percentage:

65%

Lapsed Awards:

175,000

Relinquished Awards:

Nil

Vested Awards:

325,000

2008 LTIP Participant:

A Calderon

Awards Available For Vesting:

221,250

Vesting Percentage:

65%

Lapsed Awards:

77,438

Relinquished Awards:

Nil

Vested Awards:

143,812

2008 LTIP Participant:

M Randolph

Awards Available For Vesting:

225,000

Vesting Percentage:

65%

Lapsed Awards:

78,750

Relinquished Awards:

Nil

Vested Awards:

146,250

2008 LTIP Participant:

K Wood

Awards Available For Vesting:

175,000

Vesting Percentage:

65%

Lapsed Awards:

61,250

Relinquished Awards:

Nil

Vested Awards:

113,750

2008 LTIP Participant:

M Yeager

Awards Available For Vesting:

225,000

Vesting Percentage:

65%

Lapsed Awards:

78,750

Relinquished Awards:

Nil

Vested Awards:

146,250

2008 LTIP Participant:
A Vanselow
Awards Available For Vesting:
165,000
Vesting Percentage:
65%
Lapsed Awards:
57,750
Relinquished Awards:
Nil
Vested Awards:
107,250

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date : August 23, 2013

BHP Billiton Limited (ABN 49 004 028 077) BHP Billiton
Plc (REG. NO. 3196209)

By: /s/ Jane McAloon
Name: Jane McAloon
Title: Group Company Secretary