

MEMORANDUM

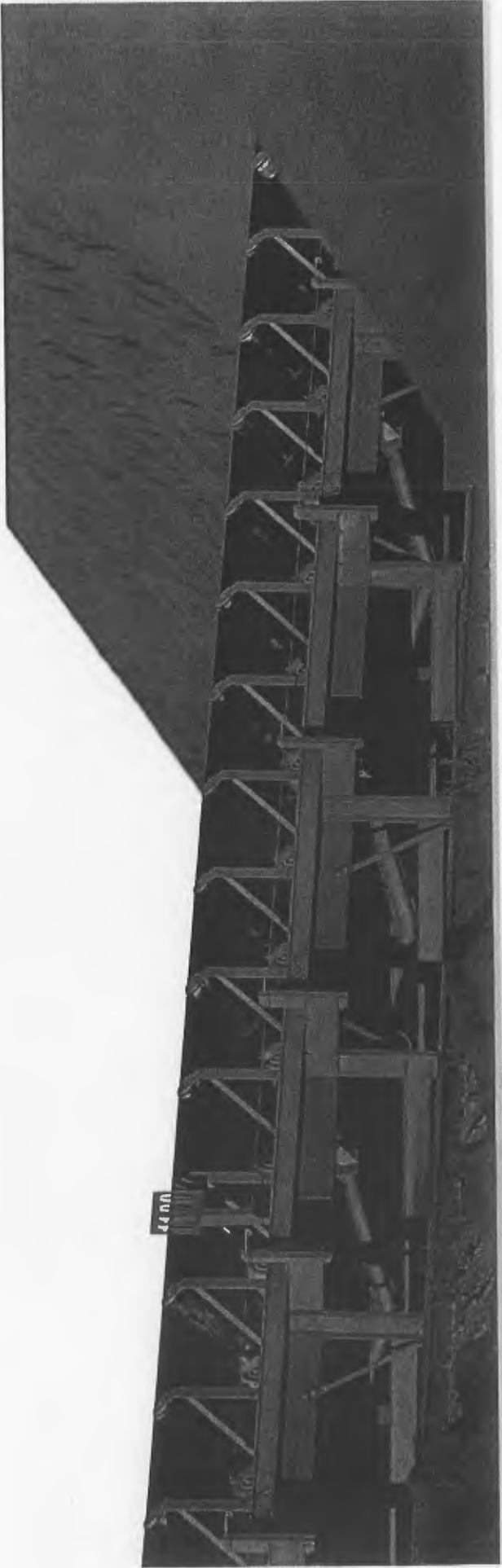
TO: File (S7-42-10)

FROM: Shehzad Niazi
Special Counsel
Office of Rulemaking
Division of Corporation Finance
U.S. Securities and Exchange Commission

RE: Meeting with representatives of Natural Resources Canada

DATE: September 9, 2015

On September 9, 2015, Barry Summer, Elliot Staffin, and Shehzad Niazi of the Division of Corporation Finance, Daniel Morris and Theodore Weiman of the Office of General Counsel, and Igor Kozhanov of the Division of Economic and Risk Analysis met with Ian Wood, Vice President Community Relations and Sustainability, and Frank Fannon, Managing Director, BHP Billiton Ltd. to discuss issues relating to the rulemaking regarding payment disclosures by resource extraction issuers required by Section 1504 of the Dodd Frank Wall Street Reform and Consumer Protection Act.



Economic Contribution and Payments to Governments Report

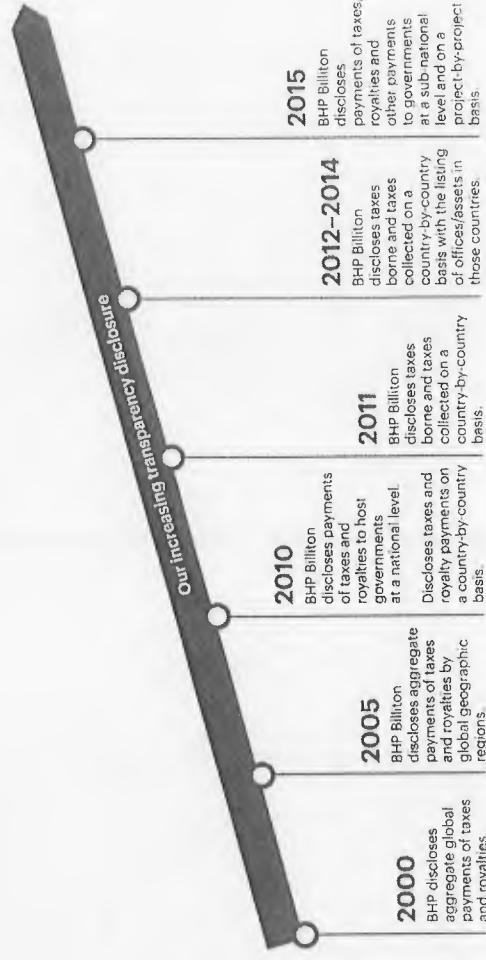
Ian Wood
Vice President Community Relations and Sustainability
7 September 2015



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Our approach to transparency and taxation

- Communities need to understand revenue gained by governments from natural resources.
- We act responsibly in relation to our tax affairs and have taken a leadership role in disclosing our payments to governments in increasing detail over the past 15 years.
- We were a founding member of the EITI, and support a globally consistent mandatory disclosure framework facilitating transparency on tax and royalty payments.
- BHP Billiton was named as the world's most transparent resources company in 2014 by Transparency International.



BHP Billiton transparency principles

Responsibility

Governments, civil society and the corporate sector must work in partnership to support transparency and help fight corruption. We are committed to acting transparently and publicly reporting the payments we make to governments.

Openness

Transparency is in the best interest of our shareholders, employees, contractors, partners, customers and the communities and societies in which we operate, and is essential to good governance and responsible investment.

Fairness

Nations that share resource wealth and are accountable to their communities have the potential to attract greater, more responsible and longer-term investment. Ensuring our host communities share in our success is critical to the long-term future of our business.

Accessibility

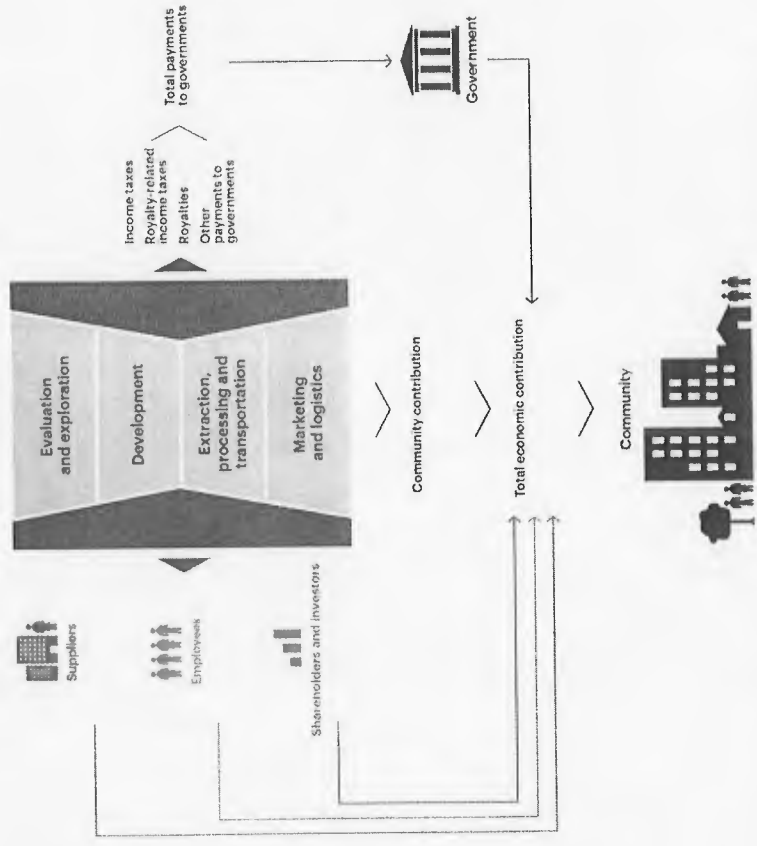
Revenue transparency information must be meaningful, practical and presented in a form that is easily captured, reported and understood. Governments, corporations and civil society organisations all have important roles to play in ensuring communities have the capacity to analyse and effectively interpret the information provided.

Open and voluntary disclosure: About this report

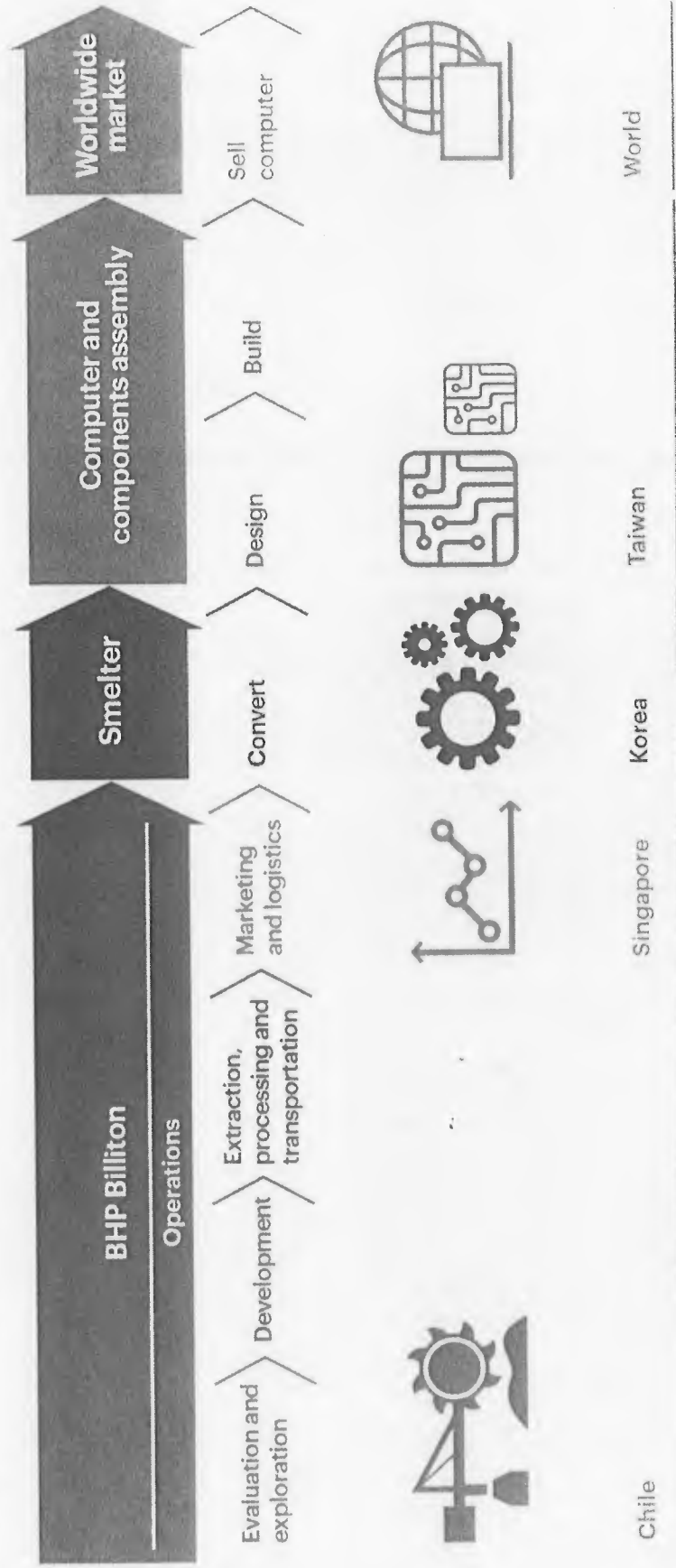
- This report will meet the intent of the EU Transparency Directive and will be published voluntarily in advance of the Directive or any other mandatory disclosure regulation.
- Our tax payments have been voluntarily disclosed on an annual basis for the past 15 years.
- For example, in FY14 we paid US\$9.9 billion globally in taxes, royalties and other payments to governments.
- In addition, in FY14 we made payments to suppliers and contractors of US\$27 billion, wages and employee benefits of US\$7 billion and dividends of US\$6.4 billion.

Creating value at each step of a commodity's development

- Our commodities underpin the essential infrastructure and materials of modern life.
- A global value chain is created by activities at each step.
- We pay tax on profits from each activity in the value chain.
- Other economic activity from the value chain includes:
 - creation of jobs;
 - purchase of goods and services from suppliers;
 - returns to our shareholders;
 - contributions to community projects.



An example of how our global value chain works



Our Global Policy Perspective – Tax & Transparency

- We continue to work with governments and regulators in relation to effective tax reform.
- We support the establishment of a globally consistent regulatory disclosure framework, including equivalence provisions between jurisdictions.
- Various parallel initiatives impact us including the: European Union Transparency Directive (2013); US SEC disclosure rules, currently being redrafted (due in 2016); Canadian Extract Sector Transparency Measures Act (2015); and Australia Board of Taxation's Corporate Disclosure Code (being developed).
- It is critical for all stakeholders that a globally consistent disclosure framework rapidly emerges. We would be supportive of this framework being based on the EU Transparency Directive.
- An effective, taxation system should be based on the principles of: competitiveness, efficiency, simplicity, stability, sustainability and confidence.
- We support the taxation reform through the Base Erosion and Profits Shifting (BEPS) Action Plan, by the OECD and supported by the G20.

A diverse range of emerging Mandatory Disclosure Regimes

Europe/UK: European Union Transparency Directive approved by the EU Parliament in 2013. EU member states to implement legislation no later than for the financial year commencing January 1, 2016 for country-by-country & project-by-project disclosure.

Canada: The Extractive Sector Transparency Measures Act proclaimed in June 2015. Establishes new reporting standards for Canadian oil, gas and mining companies.

Australia: Board of Taxation developing a voluntary Corporate Disclosure Code. A mandatory disclosure Bill has separately been introduced into the Senate by Greens Party. Labour Party formulating policy in this area.

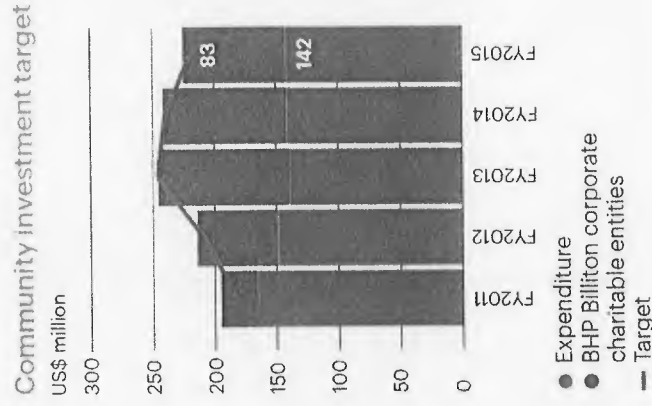
United States: US District Court for the District of Colombia issued an opinion vacating the SEC interpretation of the Dodd Frank Act July 2013. SEC is currently re-drafting the rule, with a new rule expected to be released in 2016.

Benefits of a Globally Consistent Disclosure Framework

- Reduces cost and reporting burden for multiple listed companies.
- Legislative equivalency provisions across jurisdictions critical for ability to lodge one report in multiple jurisdictions.
- Facilitates stakeholders' ability to analyse consistent data across jurisdictions.
- Enables development of standardised open source reporting templates.
- Enables consistent analysis of corporate practice.
- BHP Billiton comfortable with EU Directive as a baseline for a globally consistent framework, including project-by-project disclosure.

Positive social outcomes through our broader contribution

- Our taxes and payments to governments are only one part of the contribution we make to society.
- Having a long-lasting and positive impact on our host communities underpins our broader contribution.
- We have a target to voluntarily invest 1 per cent of pre-tax profit in community projects each year.
- Since commencing the target in FY01, we have committed US\$2 billion to community projects and donations.
- In FY15 our voluntary community investment was US\$225 million.



Notes: basis of Report preparation

- Taxes, royalties and other payments to governments will be presented in this Report on a cash paid and cash received basis for the year ended 30 June 2015.
- This Report will include all taxes paid/received by BHP Billiton in respect of each its operations, including joint operations.
- It will exclude taxes paid/received by entities that are accounted for as an equity accounted investment in BHP Billiton's financial statements, such as Antamina, Cerrejón and Samarco.
- The Report will also exclude taxes paid/received by entities that were demerged during the year to form South32.
- Consistent with the EU Accounting Directive, "Project" is defined as the operational activities that are governed by a single contract, licence, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. If multiple such agreements are 'substantially interconnected' they may be considered a project. For these purposes 'substantially interconnected' means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities.



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