

## BHP Billiton's Tax Principles

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**Our Tax Principles embody *Our Charter Values and Code of Business Conduct* through six elements.**

### **Transparency**

We are transparent about the taxes and royalties that we pay to governments because we believe that openness allows our shareholders, employees, contractors, partners, customers and communities to understand the contribution we make and have a greater ability to assess the integrity of the tax systems in the countries in which we operate.

### **Corporate Citizenship**

We act with integrity when engaging with revenue authorities to support positive and sustainable relationships. Where possible, for the purposes of obtaining certainty of our tax positions, we engage with revenue authorities on a real-time basis regarding the application of the tax law and to identify and resolve any disagreements on a timely basis.

### **Risk Management and Governance**

We are committed to strong governance. We seek to identify, assess, control and report tax risks in accordance with our global risk management framework. Risks identified as material are reported to the Risk and Audit Committee.

### **Business Rationale**

Our transactions have proper commercial purposes and economic rationale. We locate business activities where value is optimally created. We seek to have a tax charge that contributes to superior business performance and delivers long-term shareholder value. Accordingly, we do not engage in aggressive tax planning.

### **Compliance**

We respect and comply with the laws of the jurisdictions in which we operate. We meet all of our tax obligations on time. Our tax obligations include pricing transactions in our global value chain according to where value is created and economic activities occur, in compliance with the Organisation for Economic Co-operation and Development guidelines, based on the arm's length principle.

### **Advocating Reform**

We support simple, stable and competitive tax rules and the principle that the taxing rights of countries should be commensurate with where the economic activity occurs. We engage in the reform process of international tax rules (including transfer pricing) and local tax rules in the jurisdictions in which we operate. We do this because we believe that tax systems should be effective, efficient and competitive, in order to support economic growth, job creation and long term sustainable tax contributions.