

BHP Billiton Limited (BHP) Dividend Reinvestment Plan (DRP)

Frequently asked questions

What is the DRP?

The DRP enables eligible shareholders to reinvest dividends paid on their BHP shares into additional BHP shares, rather than receiving dividends in cash.

Participation in the DRP is entirely optional.

The DRP is administered by BHP's share registry, Computershare, and not by BHP. If you participate in the DRP, Computershare will arrange the purchase of BHP shares on your behalf through a broker.

Who can participate?

All shareholders of fully paid BHP ordinary shares who are resident in, and whose address on the register of shareholders at the relevant dividend record date is in, Australia or New Zealand may participate in the DRP, subject to the DRP Rules.

How do I participate in the DRP?

If you wish to participate in the DRP, we encourage you to make your election online at www.computershare.com.au/investor.

Alternatively, please complete and sign the DRP participation notice and return it to Computershare at the address below. You can obtain a participation notice at www.computershare.com.au/investor or by contacting Computershare:

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067
Postal address – GPO Box 2975
Melbourne VIC 3001
Telephone 1300 656 780 (within Australia)
+61 3 9415 4020 (outside Australia)
Facsimile +61 3 9473 2460
Email enquiries: investorcentre.com/bhp

DRP participation notices must be received, or online elections made, in accordance with the timetable published by BHP.

Can I participate in the DRP for some of my shares?

Yes, you can nominate all of your shares or a specific number of your shares to participate in the DRP.

- **Full participation:** If you elect full participation, dividends on all of your shares will be reinvested in acquiring additional shares. Dividends on any shares you may acquire in the future will also be reinvested in this way.
- **Partial participation:** If you elect partial participation, you nominate the number of your shares that will participate in the DRP. Only the dividends paid on those shares will be reinvested. For shares not participating in the DRP, dividends will be paid in the usual way.

If your DRP participation notice or online election does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

Frequently asked questions

Is there a minimum or maximum participation level?

No, however BHP has the discretion under the DRP Rules to introduce a minimum or maximum participation level.

When will my participation begin?

Your participation in the DRP will begin with the first dividend payment after receipt of your online election or participation notice. Your election must be received in accordance with the timetable published by BHP.

If your election is received after the DRP election date for a particular dividend, you will not participate in the DRP for that dividend and your participation will begin from the next dividend.

What happens if I have more than one shareholding?

You must make a separate election for each shareholding registered under different names or holding numbers by either making an online election or submitting a separate participation notice for each shareholding.

Can I withdraw or change my participation at any time?

Yes. Simply notify Computershare online. Alternatively, forms to vary or terminate your participation can be obtained at www.computershare.com.au/investor or by contacting Computershare.

The change will be effective from the next dividend payment, provided that the election is received in accordance with the timetable published by BHP. If your change is received after the DRP election date, the change will not be effective until the next dividend.

The dividend record date and DRP election date will be announced to ASX and posted on BHP's website at the time BHP announces its dividend timetable.

What type of shares will I get under the DRP?

You will be allocated fully paid ordinary shares in BHP Billiton Limited, which will rank equally in all respects with existing shares.

At what price will the shares be allocated?

Dividends paid on all shares participating in the DRP will be used to buy as many shares as possible. Purchases will be made on or as soon as reasonably practicable after the dividend payment date and numerous transactions may be necessary to purchase the number of shares required to be allocated under the DRP. The DRP allocation price will be an average of the price paid for each share actually purchased to satisfy DRP elections ('Allocation Price').

The price of BHP shares can substantially change over time and therefore the Allocation Price may be significantly different to the current price of BHP shares.

The final Allocation Price for a dividend will be announced to ASX and posted on BHP's website after the Allocation Price is determined.

How is my entitlement calculated?

Following the payment of a dividend by BHP, the dividend payable on your participating shares (less any withholding tax or any other amounts BHP is entitled or required to deduct from the payment) will be paid into a "DRP account" that will be established for you.

Computershare will then determine the number of shares to be allocated to you by dividing the amount in your DRP account by the Allocation Price and rounding that number down to the nearest whole number.

What happens to any residual value after each dividend?

Frequently asked questions

The application of the dividend reinvestment formula normally results in a residual amount. This is because your dividend amount will be used to acquire a whole number of shares, usually leaving a residual amount which is less than the price of one BHP share.

For each dividend, if there is a residual amount, then the residual amount on each dividend will be carried forward, without interest, and added to your next dividend.

How will my DRP shares be treated for subsequent dividend payments?

- **Full participation:** If you elect full participation, all shares held by you at each dividend record date will be treated as participating in the DRP, including any new shares you acquire.
- **Partial participation:** If you elect partial participation, only the number of shares you have specified will be treated as participating in the DRP. If you hold less shares than the number of shares you have specified in the participation notice/election, then the dividends on the shares that you actually hold will be reinvested.

The number of shares that will be treated as participating in the DRP may be limited if BHP elects to introduce a minimum or maximum participation limit.

What will it cost me to participate?

No brokerage fees, commission or other transaction costs will be payable for any shares allocated under the DRP.

If it is applicable, you will pay any applicable stamp duty at the prevailing rate. No stamp duty is payable on shares allocated under the DRP under current Australian law.

Can I sell my shares when I choose?

Yes. You can sell any or all of your shares at any time. However, if you sell all of your shares, your participation in the DRP will cease with effect from the date BHP registers a transfer or instrument of disposal of your holding.

If you elect full participation and then sell some of your shares, the dividends on your remaining shares will continue to be reinvested under the DRP. If you elect partial participation and then sell some of your shares, the number of shares sold will be deemed to the full extent possible to be non-participating shares and the balance, if any, will be deemed to be participating shares under the DRP.

What are the tax implications of participating?

Australian shareholders: The Australian Taxation Office currently treats dividends reinvested under the DRP in the same way as cash dividends received on shares which are not participating in the DRP. The DRP will not impact on the entitlement to claim franking credits on any dividends reinvested. You should seek professional taxation advice in relation to your individual circumstances.

New Zealand shareholders: Any dividends reinvested on your behalf under the DRP will be taxable to you at your marginal tax rate. You will need to include those dividends (plus any Australian withholding tax deducted, and converted to New Zealand dollars at the time of distribution) in your income tax return. Any Australian withholding tax deducted from the dividend can be credited against your income tax liability, although the tax credit cannot exceed your New Zealand tax liability on the dividend. You will not be able to apply any franking credits attached to the dividend against your New Zealand tax liability.

Will I receive a dividend statement?

After each allocation of shares under the DRP, a dividend statement will be provided to you in accordance with the manner you ordinarily receive notices from BHP showing full details of shares allocated to you under the DRP. This statement should be kept for your taxation purposes.

Frequently asked questions

Can the DRP be modified, suspended or cancelled?

BHP may vary the terms and conditions, alter, suspend or terminate the DRP at any time by notification on the company's website and by notifying the ASX.

What happens if I leave the DRP?

If you cease to participate in the DRP for any reason and there is a positive residual balance in your DRP account of \$A10 or more, the balance will be paid to you in full. This will also be the case if the DRP is suspended for an extended period or terminated by BHP.

If your residual balance is less than \$A10 in any of the above circumstances, you may elect to have the full amount paid to you. If you do not make an election, the full balance will be donated to charity.

How do I find out about BHP's historic dividend amounts?

Historic information about BHP's determined dividends and DRP prices are available on the dividend page of the company's website at www.bhp.com/investor-centre/shareholder-information/dividends.

Need more information?

If you have further questions (other than on taxation) about how the DRP operates and how you can participate, please contact Computershare on 1300 656 780 (Australia) or +61 3 9415 4020 (New Zealand).