

NON-EXECUTIVE DIRECTOR INDUCTION PROGRAM

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1. OBJECT

This program has been designed for the purpose of inducting new Non-executive Directors of BHP Billiton Limited and BHP Billiton Plc. It provides a summary of the Group and its activities to assist you to become effective in your role.

2. GROUP OVERVIEW

BHP Billiton Limited and BHP Billiton Plc operate under a dual listed companies (DLC) arrangement. The relationship between the companies is determined by contract and was approved by shareholders in 2001. References to BHP Billiton, the company or the Group refer to both companies. BHP Billiton Limited has a primary listing on the Australian Securities Exchange and BHP Billiton Plc has a primary listing on the London Stock Exchange. Both companies are registrants of the US Securities & Exchange Commission and are classified as foreign private issuers. Both issue American Depositary Receipts and have secondary listings on the New York Stock Exchange. In addition, BHP Billiton Plc has a secondary listing on the Johannesburg Stock Exchange. The Group must comply with the listing rules in Australia and the United Kingdom and the rules that apply to foreign private issuers in the United States.

At the time of the merger the Board resolved to adopt a common governance framework across the jurisdictions in which the Group operates. In practice this means that where the requirements of these jurisdictions vary the Board will adopt the better of the prevailing standards. There are no significant differences between the governance practices in Australia and the United Kingdom and the currently applicable requirements of the Sarbanes-Oxley Act, the Securities and Exchange Commission and the New York Stock Exchange in the United States.

In 2004 the Board approved a Board Governance Document. The Document is a statement of the governance processes adopted by the Boards of BHP Billiton Limited and BHP Billiton Plc.

The Document does not purport to be a statement of BHP Billiton's compliance with the plethora of corporate governance codes that govern or guide the Group's activities. Nor does it attempt to describe the "mechanics" by which compliance is achieved. The Group makes a statement of compliance in the Annual Report published each year and publishes a checklist against the corporate governance codes on its website. In some instances the Board has elected not to follow recommended practices. In these cases the Board has published its reasons for so electing. The Document reflects current practice and as such is subject to review and amendment.

3. BOARD COMMITTEES

The Board has established four permanent Committees to assist in the execution of its responsibilities, and has delegated some of its responsibilities to the Committees. The Committees assist the Board by focussing on their specific activities, fulfilling their roles and responsibilities, reporting to the Board on decisions and actions taken, and making any necessary recommendations.

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The permanent Committees of the Board, their roles and membership are as follows:

Risk and Audit Committee

Role

To assist the Board in gaining assurance as to the integrity of the financial statements and the effectiveness of the system of internal controls and risk management. Its focus is the integrity of the financial statements; the appointment, remuneration, qualifications, performance and independence of the external auditor, and the integrity of the audit process as a whole; the effectiveness of the systems of internal control and risk management; the performance and leadership of the role of the Vice-President Risk Management and Assurance and of the internal audit function; and compliance by management with constraints imposed by the Board.

Members
David Crawford (Chairman)
David Jenkins
David Morgan
Jacques Nasser
Wayne Murdy
Secretariat
Jane McAloon

Sustainability Committee

Role

To assist the Board by focussing on the following activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations:

- reviewing the effectiveness of the Group's policies and systems for identifying and managing the health, safety, environment and community risks that are material to the achievement of the Corporate Objective;
- reviewing the policies and systems within the Group for ensuring compliance with health, safety, environment and community regulatory requirements;
- reviewing the performance of the Group having regard to the impact of health, safety, environment and community decisions and actions on employees, communities and third parties and on the reputation of BHP Billiton; and
- reviewing the quality and integrity of sustainability reporting to external stakeholders.

Members
John Schubert (Chairman)
Paul Anderson
Gail de Planque
Keith Rumble
Secretariat
Fiona Smith

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Nomination Committee

Role

To assist the Board by focussing on the following activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations and to:

- review the skills represented on the Board;
- identify suitable candidates for appointment to the Board;
- review the assessment of the performance of individual Directors and make recommendations to the Board on endorsement of retiring Directors seeking re-election; and
- communicate to shareholders on the work of the Committee on behalf of the Board.

Members
Don Argus (Chairman)
John Buchanan
John Schubert
Secretariat
Jane McAloon

Remuneration Committee

Role

To assist the Board by focussing on the following activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations on:

- the remuneration policy and its application to the CEO and executives reporting to the CEO;
- the adoption of annual and longer-term incentive plans;
- determination of levels of reward to the CEO and approval of reward to executives reporting to the CEO;
- guidance to the Chairman on the annual evaluation of the CEO; and
- the communication to shareholders on remuneration policy and the Committee's work on behalf of the Board.

Members
John Buchanan (Chairman)
Carlos Cordeiro
Gail de Planque
David Jenkins
Alan Boeckmann
Secretariat
Jane McAloon

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4. EXECUTIVE MANAGEMENT

The Board has reserved the following matters for its decision:

- appointments to the position of CEO and approval of the appointment of executives reporting to the CEO;
- approval of strategy and annual budgets;
- determination of capital and non-capital items in accordance with the Approvals Framework; and
- determinations and adoption of documents (including the publication of reports and statements to shareholders) that are required by the Group's constitutional documents, by statute or by other external regulation.

Subject to the limitations imposed by the Group's constitutional documents, statute and other external regulation, the Board remains free to alter the matters reserved for its decision.

The Board has delegated responsibility for managing BHP Billiton to the Chief Executive Officer, and, through him, executive management. Executive management is made up of individuals and committees.

The key executive management committees and their respective roles are set out below.

Group Management Committee

The Group Management Committee (GMC) has been established by the CEO to assist him where he determines that consideration of certain matters will be improved by a collective process.

The purpose of the GMC is to assist the CEO in pursuing the Corporate Objective, within the CEO Limits as set out in the Board Governance Document.

Members of the GMC (Group Management Committee):

- Marius Kloppers, Chief Executive Officer and Executive Director
- Andrew Mackenzie, Group Executive and Chief Executive Non-Ferrous
- Marcus Randolph, Group Executive and Chief Executive Ferrous and Coal
- Mike Yeager, Group Executive and Chief Executive Petroleum
- Alex Vanselow, Group Executive and Chief Financial Officer
- Karen Wood, Group Executive and Chief People Officer
- Alberto Calderon, Group Executive and Chief Commercial Officer

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Financial Risk Management Committee

The Financial Risk Management Committee (FRMC) monitors the Group's financial risk management policies and exposures, approves financial transactions within the scope of its authority and makes recommendations to the GMC.

The committee members are the Chief Financial Officer (Chairman), President Marketing, Group Treasurer, Chief Legal Counsel, Vice President Risk Management & Assurance. The Company Secretariat provides secretarial services to the FRMC.

Investment Committee

The Investment Committee (IC) makes recommendations to the GMC and oversees the management approval processes for major investments (BHP Billiton share \geq US\$250 million), which are designed to ensure that:

- investments are aligned to the Group's agreed strategies and values;
- risks are identified and evaluated;
- investments are fully optimised to produce the maximum shareholder value within an acceptable risk framework; and
- appropriate risk management strategies are pursued.

The committee members are the Chief Financial Officer (Chairman), Chief Executive Officer and other GMC members as appropriate. The Investment Office provides secretariat services to the IC.

CSG Presidents

The CSG Presidents bring together the senior leadership team of the organisation to provide input into the strategic direction of the company. In addition, the CSG Presidents have a critical influence and communications role across the Group.

CSG Presidents:

- Ian Ashby, President Iron Ore
- Peter Beaven, President Manganese
- Jon Dudas, President Aluminium
- Diego Hernandez, President Base Metals
- Graham Kerr, President Diamonds & Specialty Products
- Jimmy Wilson, President Energy Coal
- Hubie van Dalsen, President Metallurgical Coal
- Gerard Bond, Acting President Stainless Steel Materials

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5. BUSINESS STRUCTURE

Our business is organised around customer/product groups rather than asset groups, and comprises:

- Operations managed by Customer Sector Groups (CSGs) based on natural customer-oriented groupings of commodities
- A coordinated marketing function based in Switzerland operating through hubs in The Hague and Singapore
- Overall governance and portfolio decisions managed through a Corporate Centre

BHP Billiton is organised into nine CSGs, namely Petroleum, Aluminium, Base Metals, Diamonds and Specialty Products, Energy Coal, Metallurgical Coal, Stainless Steel Materials, Iron Ore, Manganese. In general, CSGs are headed by a President.

The CSGs are grouped into the three broadly related business areas of Non-Ferrous, Ferrous and Coal, and Petroleum, each headed by a Chief Executive (Andrew McKenzie, Marcus Randolph and Mike Yeager respectively).

CSGs operate under the EBIT model. Each CSG has a 'business development' responsibility to generate and deliver sector-specific growth. The CSG is responsible for profit to the level of EBIT. The Corporate Centre is responsible for tax and funding. The Corporate Centre is also the custodian for all cash.

The fundamentals of the Marketing model, which are underpinned by 'One Book', are:

- Each marketing business unit is responsible for all saleable product
- All marketing transactions are in a single book
- Trading of the key market risks is carried out by one trading unit only

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6. WRITTEN MATERIAL, MEETINGS AND SITE VISITS

The first Annexure to this introduction is a binder containing essential information in the form of written material. You may have already received some of this material. The Essential Information and Additional Information as itemised below is contained in the attached binder. Some of this information is available on the Group's website <http://bhpbilliton.com/bb/aboutUs/governance.jsp>. Proposed site visits are listed overleaf.

This part of the program is organised into three sections:

- A. Board Information: Directors' duties, corporate governance and Board issues
- B. Management Information
- C. Optional Reading

SECTION A: Board Information: Directors' Duties, Board Issues and Corporate Governance

Essential information

1. Board Governance Document
2. Terms of Reference of the Risk and Audit Committee, Sustainability Committee, Nomination Committee and Remuneration Committee
3. Corporate Governance Statement (included in the Annual Report)
4. Securities Dealing Procedure
5. Memorandum & Articles of Association of BHP Billiton Plc and Constitution of BHP Billiton Limited
6. Market Disclosure and Communications document
7. Corporate Governance Compliance Checklist

Additional information

8. Minutes of Board meetings held during the last twelve months
9. Copies of the minutes of meetings of the Risk and Audit Committee, Remuneration Committee and the Sustainability Committee for the last six months
10. FY 2009 Annual Reports, including Annual Report, Summary Review and Sustainability Summary Report

SECTION B: Management Information

1. The Group's Charter
2. BHP Billiton Way
3. Code of Business Conduct

SECTION C: OPTIONAL READING

The following document is available on request:

- The information memorandum provided to shareholders when considering the DLC formation in 2001

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Meetings/Site visits

Scheduled Board site visits are as follows:

- Santiago: 21 March 2011

Other site visits are arranged by Company Secretariat from time to time and details will be provided at that time.

GLOSSARY OF ACRONYMS

ASIC	Australian Securities & Investments Commission (Australia)
ASX	Australian Securities Exchange
BOE	Barrels of Oil Equivalent
BE&E	Business Evaluation & Economics
CIO	Chief Information Officer
CIP	Co-Investment Plan
CSG	Customer Sector Group
CSG RAC	Customer Sector Group Risk & Audit Committee
D&SP	Diamonds & Specialty Products
DLC	Dual Listed Company
DTI	Department of Trade & Industry (UK)
ESP	Employee Share Plan
FIRB	Foreign Investment Review Board (Australia)
FRC	Financial Reporting Council (UK)
FRMC	Financial Risk Management Committee
GIS	Group Incentive Scheme
GMC	Group Management Committee
GOM	Gulf of Mexico
IC	Investment Committee
KPI	Key Performance Indicator used to measure the performance of the Group, individual businesses and executives in any one year
LSE	London Stock Exchange
LTIP	Long Term Incentive Plan
PSP	Performance Share Plan
RAC	Risk and Audit Committee
RSS	Restricted Share Scheme
SSM	Stainless Steel Materials
SusCo	Sustainability Committee
TSR	Total Shareholder Return is the change in share price plus dividends reinvested. It is one of the Performance Hurdles for long-term incentives
UKLA	UK Listing Authority

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CONTACT

Should you require any of the 'additional information' or to organise and discuss possible site visits / meetings please contact any of the undernamed:

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