

Notice of meeting



BP p.l.c.

Annual General Meeting 2005

Royal Festival Hall, London SE1 8XX

14 April 2005 at 11.00 a.m.

This document is important and requires your immediate attention.

If you are in any doubt about the action you should take, you should consult your independent financial adviser.

If you have recently sold or transferred your shares in BP p.l.c. you should forward this document to your bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Letter from the chairman

Dear Shareholder

I am pleased to welcome you to our ninety-sixth Annual General Meeting, which will be held at the Royal Festival Hall on 14 April 2005. The meeting will begin at 11.00 a.m. and, after concluding matters of formal business, the group chief executive John Browne will introduce the Annual Report and Accounts. Questions on the business of the group will follow.

This will be our last meeting at the Royal Festival Hall for the time being as it will close for refurbishment work later this year. Our meeting next year will take place at the ExCel Centre in London's Docklands.

As in previous years, the business to be considered at the meeting is substantial, with 24 resolutions including, for the first time this year, the annual election of the entire board. To ensure there is ample opportunity for shareholders to raise questions I will need to keep our discussions focused and would ask shareholders to be considerate to others by avoiding long or repetitive questions. The documents circulated with this notice should provide answers to many of the questions that may arise and I would request shareholders familiarize themselves with their contents prior to the meeting. I would also draw your attention to the heading 'Security' on the back cover of this notice relating to admission and conduct of the meeting. I look forward to a constructive discussion of the activities of our company.

The work of your board has continued during the year to address the interests of shareholders and the governance of the company. The Annual General Meeting forms an important part of this governance process and I hope that you will take this opportunity to participate in the meeting. Your board does recognize however that many of our shareholders are unable to attend the meeting in person, and hence all resolutions for consideration at the meeting will be decided on a poll, to enable those who cannot be present to vote.

The board and I look forward to your participation and take the opportunity to thank you for your continued support.

Peter Sutherland

Peter Sutherland
Chairman
4 March 2005

Notice of meeting and resolutions to be proposed

Notice is hereby given that the ninety-sixth Annual General Meeting of BP p.l.c. ('BP' or the 'company') will be held in the Royal Festival Hall, Belvedere Road, London SE1 8XX, United Kingdom, on Thursday 14 April 2005, commencing at 11.00 a.m., for the transaction of the following business.

The resolutions

Resolution 1

To re-elect Dr D C Allen as a director.
See biography on page 4.

Resolution 2

To re-elect The Lord Browne of Madingley as a director.
See biography on page 4.

Resolution 3

To re-elect Mr J H Bryan as a director.
See biography on pages 4-5.

Resolution 4

To re-elect Mr A Burgmans as a director.
See biography on page 5.

Resolution 5

To elect Mr I C Conn as a director.
See biography on page 5.

Resolution 6

To re-elect Mr E B Davis, Jr as a director.
See biography on pages 5-6.

Resolution 7

To elect Mr D J Flint as a director.
See biography on page 6.

Resolution 8

To re-elect Dr B E Grote as a director.
See biography on page 6.

Resolution 9

To re-elect Dr A B Hayward as a director.
See biography on pages 6-7.

Resolution 10

To re-elect Dr D S Julius as a director.
See biography on page 7.

Resolution 11

To elect Sir Tom McKillop as a director.
See biography on page 7.

Resolution 12

To re-elect Mr J A Manzoni as a director.
See biography on page 7.

Resolution 13

To re-elect Dr W E Massey as a director.
See biography on page 7.

Resolution 14

To re-elect Mr H M P Miles as a director.
See biography on page 8.

Resolution 15

To re-elect Sir Ian Prosser as a director.
See biography on page 8.

Resolution 16

To re-elect Mr M H Wilson as a director.
See biography on page 9.

Resolution 17

To re-elect Mr P D Sutherland as a director.
See biography on page 9.

Resolution 18 – Reappointment of auditors

To reappoint Ernst & Young LLP as auditors until the conclusion of the next general meeting before which accounts are laid and to authorize the directors to set the auditors' remuneration for 2005.
See note on page 10.

Resolution 19 – Directors' authority to allot shares (Section 80)

To renew, for the period ending on the date of the Annual General Meeting in 2006 or 13 July 2006, whichever is the earlier, the authority and power conferred on the directors by Article 13 of the company's Articles of Association to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount of \$1,770 million.
See note on page 10.

Resolution 20 – Directors' authority to allot shares (Section 89)

To renew, for the period ending on the date of the Annual General Meeting in 2006 or 13 July 2006, whichever is the earlier, the authority and power conferred on the directors by Article 13 of the company's Articles of Association to allot equity securities wholly for cash (a) in connection with a rights issue; and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount of \$265 million.
See note on page 10.

Resolution 21 – Share buyback

To authorize the company generally and unconditionally to make market purchases (as defined in Section 163(3) of the Companies Act 1985) of ordinary shares with nominal value of \$0.25 each in the company, provided that:

- (a) the company does not purchase under this authority more than 2.1 billion ordinary shares;
- (b) the company does not pay less than \$0.25 for each share; and
- (c) the company does not pay more for each share than 5% over the average of the middle market price of the ordinary shares for the five business days immediately preceding the date on which the company agrees to buy the shares concerned, based on share prices and currency exchange rates published in the Daily Official List of the London Stock Exchange.

In executing this authority the company may purchase shares using any currency, including pounds sterling, US dollars, and euros.

This authority shall continue for the period ending on the date of the Annual General Meeting in 2006 or 13 July 2006, whichever is the earlier, provided that if the company has agreed before this date to purchase ordinary shares where these purchases will or may be executed after the authority terminates (either wholly or in part) the company may complete such purchases.

See note on page 10.

Resolution 22 – Directors' Remuneration Report

To approve the Directors' Remuneration Report for the year ended 31 December 2004.

See note on page 10.

Resolution 23 – Renewal of the Executive Directors' Incentive Plan

To approve the renewal of the BP Executive Directors' Incentive Plan (the 'plan'), a copy of which is produced to the meeting initialled by the chairman for the purpose of identification, for a further five years and to authorize the directors to do all acts and things that they may consider necessary or expedient to carry the plan into effect.

See further information on pages 11-13.

Resolution 24 – Report and Accounts

To receive the report of the directors and the accounts for the year ended 31 December 2004.

See note on page 10.

Note

Resolutions 1 to 19 inclusive and 22 to 24 inclusive will be proposed as ordinary resolutions. Resolutions 20 and 21 will be proposed as special resolutions. Resolutions 19 to 21 inclusive and 23 are items of special business.

By order of the board

David J Jackson

Company Secretary
4 March 2005

Notes for ordinary and preference shareholders, ADS holders and employee share plan participants can be found on pages 14-15.

Notes on resolutions

Notes to resolutions 1 to 17 – Re-election or election of directors

As required by the company's Articles of Association, Dr D C Allen, The Lord Browne of Madingley, Mr J H Bryan, Mr A Burgmans, Mr E B Davis, Jr, Dr B E Grote, Dr A B Hayward, Dr D S Julius, Mr J A Manzoni, Dr W E Massey, Mr H M P Miles, Sir Ian Prosser, Mr M H Wilson and Mr P D Sutherland retire and offer themselves for re-election as directors. Mr I C Conn, Mr D J Flint and Sir Tom McKillop, in accordance with the Articles of Association, offer themselves for election as directors.

The nomination committee of the board has as one of its tasks the identification, evaluation and recommendation of candidates for election or re-election as directors. As previously described to shareholders, the board has put in place a process for the orderly succession of board members as a number of directors, both executive and non-executive, reach the respective mandatory retirement ages over the coming years.

During the current year the nomination committee reviewed the core requirements for non-executive directors and considered, in the light of the company's business and strategy, the capabilities and expertise of the board both present and future. Included within this review was the present and future membership of the board's committees. A report on the work of the board and its committees is contained in the Governance; Board Performance Report on pages 110 to 115 of *BP Annual Report and Accounts 2004*, and on bp.com. A summary of the Governance; Board Performance Report can be found on pages 38 to 39 of *BP Annual Review 2004*.

Resolution 1

Dr D C Allen

David Allen became group chief of staff in 2000 and was appointed an executive director when he joined the BP board in 2003. As chief of staff he is responsible for a range of activities including the group's planning, strategy and policy, communications and external affairs, and diversity and inclusion. Dr Allen has regional accountability for the western hemisphere.

He joined BP gas international in 1978, handling Middle East and Far East gas trading, before moving in 1981 to BP's corporate offices in New York. He returned to London in 1983 taking up a series of commercial management roles in BP exploration.

In 1986, he moved to BP's corporate planning department as manager of the natural resources branch, following which in 1988 he was appointed to lead BP's international crude oil trading activities. In 1990, he moved to BP exploration (Europe) in Glasgow to become general manager, European gas.

In 1991, Dr Allen returned to London and became planning manager for BP exploration (Europe) and subsequently general manager, commercial, BP exploration, in 1995. He took over the role of director of planning for the BP group in 1996, joining the executive committee of BP exploration as a director with responsibility for operations outside the UK and Alaska in 1997. Following the merger of BP and Amoco in 1999 he became group vice president planning for the BP group. He is a director of BP Pension Trustees Limited.

Dr Allen was born in 1954.

Proposal for re-election

Dr Allen's performance has been evaluated by the group chief executive and the chairman's committee, as a result of which the board recommends Dr Allen's re-election as an executive director.

Resolution 2

The Lord Browne of Madingley

John Browne was appointed group chief executive of BP in June 1995, having joined the main board of BP as an executive director in 1991.

Lord Browne joined BP in 1966 and between 1969 and 1983 held a variety of exploration and production posts in Anchorage, New York, San Francisco, London and Canada. In 1984, he became group treasurer and chief executive of BP finance international.

In 1986, he took up the position of executive vice president and

chief financial officer of The Standard Oil Company in Cleveland, Ohio. In 1987, following the BP/Standard merger, in addition to his position as executive vice president and chief financial officer of BP America, he was appointed chief executive officer of Standard Oil Production Company.

In 1989, he became managing director and chief executive officer of BP exploration based in London. In 1991, he joined the board of The British Petroleum Company p.l.c. as an executive director and was appointed group chief executive in 1995. Following the merger of BP and Amoco in 1998, he was appointed group chief executive.

He is a non-executive director of the Intel Corporation and Goldman Sachs.

He is chairman of the international advisory board of the School of Economics and Management, Tsinghua University, and chairman of the advisory board of the Judge Institute of Management Studies, Cambridge.

Lord Browne was born in 1948. He was knighted in 1998 and made a life peer in 2001.

Proposal for re-election

The chairman's committee reviewed Lord Browne's performance during the year. The chairman's letter to shareholders set out in the *BP Annual Report and Accounts 2004* and *BP Annual Review 2004* fully describes the board's view of Lord Browne's exemplary efforts. The board is satisfied that Lord Browne's non-executive appointments do not in any way impair his ability fully to perform his duties as group chief executive. The board recommends Lord Browne's re-election as an executive director.

Resolution 3

Mr J H Bryan

John Bryan was appointed a non-executive director of BP in 1998, having served on the Amoco board since 1982. He is a member of the chairman's, audit, and remuneration committees.

In 1974, Mr Bryan became president and a director of Sara Lee Corporation, one of the world's leading branded consumer packaged goods companies. He served as chief executive officer from 1975 to 2000 and as chairman of the board from 1976 until his retirement in 2001.

He is also a member of the board of directors of General Motors Corporation and Goldman Sachs Group Inc. He served as co-chairman of the World Economic Forum's annual meeting in 1994, 1997 and 2000. He is a trustee of the University of Chicago.

He is chairman of the board of trustees of The Art Institute of Chicago.

Mr Bryan was born in 1936.

Proposal for re-election

Mr Bryan brings to the board substantial experience of large-scale international corporate activity coupled with specific experience in marketing and customer-facing businesses. He has a very broad understanding of the US market. He has recently been appointed to the remuneration committee. The board is satisfied that he will be able to discharge this increased commitment. The board values the contribution that he makes to its deliberations. Having undertaken an appropriate due diligence exercise, the board has concluded that Mr Bryan is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Mr Bryan's independence, the board recommends his re-election as a non-executive director.

Resolution 4

Mr A Burgmans

Antony Burgmans was appointed a non-executive director of BP in February 2004. He is a member of the chairman's committee and became a member of the board's ethics and environment assurance committee in October 2004.

He joined Unilever, one of the world's leading suppliers of foods, household and personal care products, in 1972, holding a succession of marketing and sales posts in the Netherlands, Indonesia and Germany between 1972 and 1988, and was chairman of PT Unilever Indonesia from 1988 until 1991.

In 1991, he was appointed to the board of Unilever as director with responsibility for personal care products. In 1994, he became business group vice president, ice cream and frozen foods, Europe, and was appointed chairman of Unilever's Europe committee, co-ordinating its European activities. In 1998, he became vice chairman of Unilever NV and in 1999, chairman of Unilever NV and vice chairman of Unilever PLC. In 2005, Mr Burgmans will become non-executive chairman of Unilever NV and Unilever PLC.

Mr Burgmans is co-chairman of the Global Commerce Initiative and chairman of the supervisory board of Mauritshuis in The Hague. He is also a member of the supervisory board of ABN AMRO Bank NV.

Mr Burgmans was born in 1947.

Proposal for re-election

Mr Burgmans was appointed relatively recently to bring not only international experience to the board but also substantial expertise in marketing. Since he joined the board in February 2004, several board meetings have coincided with commitments entered into by Mr Burgmans before his appointment to the BP board, a matter made known to the board on his appointment. As a result, Mr Burgmans' attendance record at board and committee meetings was not unexpected. Such scheduling difficulties will not prevail in the year ahead, when Mr Burgmans and the board are looking forward to his full participation in the board work programme.

Having undertaken an appropriate due diligence exercise, the board has concluded that Mr Burgmans is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of

Mr Burgmans' independence, the board recommends his re-election as a non-executive director.

Resolution 5

Mr I C Conn

Iain Conn became group executive officer, strategic resources, in July 2004 upon his appointment to the board of BP. He has regional responsibility for Europe, Russia, the Middle East, the Caspian and Africa and functional responsibility for health, safety, security and environment, human resources management, marketing, technology, digital communication technology, procurement and pensions operations.

He joined BP oil international in 1986, working in a variety of roles in commercial refining and oil trading and in corporate headquarters before moving to BP exploration in Colombia in 1996.

In 1997, he became senior vice president of BP oil in the US responsible for retail and commercial marketing operations, refining and supply. He moved in 1999 to become vice president of BP Amoco exploration's mid-continent business unit.

At the end of 2000, he returned to London as group vice president and a member of the refining and marketing segment's executive committee with responsibility for BP's marketing business in Asia, Russia, Africa and Latin America. In 2001, he took over responsibility for BP's marketing operations in Europe and for the integration of Veba Oil. From 2002 until 2004, he was chief executive of BP petrochemicals.

Mr Conn is chairman of the advisory board of the Imperial College London Tanaka Business School. He was appointed a non-executive director of Rolls-Royce Group plc on 20 January 2005.

Mr Conn was born in 1962.

Proposal for election

Mr Conn's performance has been evaluated by the group chief executive and the chairman's committee, as a result of which the board recommends Mr Conn's election as an executive director.

Resolution 6

Mr E B Davis, Jr

Erroll Davis was appointed a non-executive director of BP in 1998, having been a member of the Amoco board since 1991. He is a member of the chairman's, audit, and remuneration committees.

Mr Davis spent his early career on the corporate financial staffs of Ford Motor Company and Xerox Corporation, subsequently joining the former Wisconsin Power and Light Co in 1978 as vice president-finance. In 1982, he was named vice president-finance and public affairs, and in 1984, he was promoted to executive vice president and was elected to the board of directors. He became president in 1987 and chief executive officer in 1988. In 1990, he was also named president and chief executive officer of WPL Holdings, the parent company of Wisconsin Power and Light Co.

He was named Alliant Energy's president and chief executive officer when the company was first formed in 1998, and became chairman of its board of directors in 2000.

He is a member of the advisory board of the Federal Reserve Bank of Chicago and is a member of the boards of directors of PPG

Notes on resolutions *continued*

Industries, Inc., Union Pacific Corporation, the Edison Electric Institute, of which he was chair between 2002 and 2003, the Electric Power Research Institute, the Association of Edison Illuminating Companies and the Wisconsin Manufacturers and Commerce Association. In 2004, he was elected to the board of the US Olympic committee.

In 2004, Mr Davis was awarded the James E Steward Award by the American Association of Blacks in Energy for his achievement and leadership in the energy field.

Mr Davis was born in 1944.

Proposal for re-election

Mr Davis brings demonstrable expertise within the capital-intensive and engineering areas of business as well as a strong financial background. His commitment to the board and its committees has been excellent. Having undertaken an appropriate due diligence exercise, the board has concluded that Mr Davis is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Mr Davis' independence, the board recommends his re-election as a non-executive director.

Resolution 7

Mr D J Flint

Douglas Flint was appointed to the board of BP as a non-executive director on 1 January 2005.

He began his career with Peat Marwick Mitchell & Co. (now KPMG), where he trained as a chartered accountant. He was appointed a partner in 1988. While at KPMG, Mr Flint specialized in banking, multinational financial reporting, treasury and securities trading operations, group reorganizations and litigation support.

In 1995, Mr Flint joined the HSBC Group as group finance director designate and was subsequently appointed to the board of HSBC Holdings plc and HSBC Bank Malaysia Berhad.

He is chairman of the Financial Reporting Council's review of the Turnbull Guidance on Internal Control and served on the Accounting Standards Board and the advisory council of the International Accounting Standards Board between 2001 and 2004. He also served on the Shipley Working Group on Public Disclosure and co-chaired the Group of Thirty Report on Enhancing Public Confidence in Financial Reporting.

Mr Flint was born in 1955.

Proposal for election

Mr Flint was recruited to the board for the breadth of his business experience and his strong financial background. It is intended that he will join the audit committee in the first half of 2005. Having undertaken an appropriate due diligence exercise, the board has concluded that Mr Flint is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Mr Flint's independence, the board recommends his election as a non-executive director.

Resolution 8

Dr B E Grote

Byron Grote was appointed to the board of BP as an executive director in 2000 and became chief financial officer in 2002 following two years as chief executive of BP chemicals. He also has accountability for BP's overall Asia regional presence and the group's integrated supply and trading activities.

He joined The Standard Oil Company of Ohio in 1979 and in 1985 he became director of planning for The Standard Oil Company's mining subsidiary, Kennecott. In 1986, he was appointed vice president, retail marketing.

In 1988, Dr Grote became commercial vice president for BP's Alaskan North Slope production activities. In 1989, he was appointed commercial general manager of BP exploration, based in London. He became group treasurer and chief executive officer of BP finance in 1992, directing the global finance operations of the BP group. In 1994, he took up the position of regional chief executive in Latin America. He returned to London in 1995 to take up his appointment as deputy chief executive officer of BP exploration.

He became group chief of staff in 1997, with responsibility for a number of corporate areas including strategy, technology, IT, investor relations and solar. Following the merger of BP and Amoco, in 1999 he was appointed executive vice president, exploration and production. Between 1999 and 2000, he was responsible for directing the acquisition of ARCO and managing the integration of its operations into BP.

He is a member of the Cornell University Johnson Graduate School of Management Advisory Council and is on the Economic Advisory Panel to the Governor of Guangdong Province in China.

Dr Grote was born in 1948.

Proposal for re-election

Dr Grote's performance has been evaluated by the group chief executive and the chairman's committee, as a result of which the board recommends Dr Grote's re-election as an executive director.

Resolution 9

Dr A B Hayward

Tony Hayward was appointed to the board of BP in 2003, becoming chief executive officer of BP's exploration and production segment responsible for the group's assets and operational activities relating to the discovery and production of hydrocarbons.

He joined BP in 1982 and, following a series of technical and commercial roles in BP exploration in London, Aberdeen, Glasgow, France and China, in 1992 he moved to Colombia as exploration manager. In 1995, he became president of the BP group in Venezuela.

In 1997, Dr Hayward returned to London as a director of BP exploration and following the merger of BP and Amoco, in 1999 he became a group vice president and a member of the upstream executive committee. He was appointed group treasurer in 2000, where his responsibilities included global treasury operations, corporate finance and mergers and acquisitions. He was appointed an executive vice president in 2002, becoming chief operating officer for exploration and production later that year.

He is a non-executive and senior independent director of Corus Group plc and was a member of Citibank's advisory board between 2000 and 2003.

Dr Hayward was born in 1957.

Proposal for re-election

Dr Hayward's performance has been evaluated by the group chief executive and the chairman's committee, as a result of which the board recommends Dr Hayward's re-election as an executive director.

Resolution 10

Dr D S Julius

DeAnne Julius was appointed a non-executive director of BP in 2001. She is a member of the chairman's and remuneration committees. She will become chairman of the remuneration committee in succession to Sir Robin Nicholson in April 2005.

After receiving her PhD, Dr Julius began her career in 1975 as a project economist with the World Bank in Washington, where her work included oil and gas projects in a number of Asian and African countries. Between 1983 and 1986, she was managing director of Logan Associates, Inc., a small consulting group, and in 1986 she became director of the International Economics Programme at the Royal Institute of International Affairs (Chatham House).

She was chief economist at the Royal Dutch Shell Group in London from 1989 until 1993 and then, between 1993 and 1997, chief economist at British Airways PLC. In 1995, she became chairman of British Airways Pension Investment Management Ltd.

Between 1997 and 2001, Dr Julius was an independent member of the Bank of England's Monetary Policy Committee. Since 2001, she has held a variety of non-executive appointments and, in 2003, she was appointed chairman of the Royal Institute of International Affairs.

She is a non-executive director of Lloyds TSB Group PLC, Roche Holdings SA and Serco Group plc.

Dr Julius was born in 1949 and was awarded a CBE in 2002.

Proposal for re-election

Dr Julius brings many qualities to the board discussions that reflect the breadth of her previous financial and business experience. The board is satisfied that she will be able to discharge the increased commitment required by her enhanced role as chairman of the remuneration committee. Having undertaken an appropriate due diligence exercise, the board has concluded that Dr Julius is free from any relationship with the executive management of BP that could materially interfere with the exercise of her independent judgement. Having satisfied itself of Dr Julius' independence, the board recommends her re-election as a non-executive director.

Resolution 11

Sir Tom McKillop

Sir Tom was appointed a non-executive director of BP in July 2004. He is a member of the chairman's and remuneration committees.

Following post-doctorate research work in chemistry in Paris, Sir Tom joined ICI's corporate research laboratory in 1969, where his research covered synthetic chemistry, quantum mechanics and molecular biology. In 1975, he joined ICI's pharmaceuticals division as head of natural products research.

In 1978, he returned to France as research director of ICI's French pharmaceuticals division. On his return to the UK, he held a number of positions in ICI pharmaceuticals in chemistry and research and development between 1980 and 1989. In 1989, he became technical director of ICI pharmaceuticals with international responsibility for research, development and production.

Following the demerger of Zeneca Group PLC from ICI PLC, in 1994 he became chief executive officer of Zeneca pharmaceuticals and, in 1996, he was appointed to the board of Zeneca Group PLC as an executive director. After the merger of Astra AB and Zeneca Group PLC in 1999, Sir Tom was appointed chief executive of AstraZeneca PLC.

Sir Tom is chairman of the British Pharma Group, chairman of the Northwest Science Council and vice-president of EFPIA.

Sir Tom was born in 1943 and knighted in 2002.

Proposal for election

In appointing Sir Tom in 2004, the board wished to reinforce its capabilities and expertise within the areas of international business and, in particular, engineering, science and technology. Sir Tom has recently joined the remuneration committee. Having undertaken an appropriate due diligence exercise, the board has concluded that Sir Tom is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Sir Tom's independence, the board recommends his election as a non-executive director.

Resolution 12

Mr J A Manzoni

John Manzoni became group managing director and chief executive of refining and marketing for BP in 2002 and was appointed to the board of BP in 2003.

He joined BP in 1983 and spent the early part of his career working in the North Sea. He has undertaken a variety of roles, including head of investor relations, head of strategy and vice president, Prudhoe Bay in Alaska.

More recently he was the executive from BP responsible for the merger integration process between BP and Amoco, and then became group vice president in charge of downstream European marketing, in addition to downstream planning and performance globally.

In 2000, he was appointed regional president for the eastern United States and, in 2001, an executive vice president and chief executive of gas, power and renewables, the post he held until his current appointment in 2002.

Mr Manzoni is a member of the advisory board of the Stanford Graduate School of Business and Accenture energy advisory board. In 2004, he was appointed as a non-executive director of SABMiller plc.

Mr Manzoni was born in 1960.

Proposal for re-election

Mr Manzoni's performance has been evaluated by the group chief executive and the chairman's committee, as a result of which the board recommends his re-election as an executive director.

Notes on resolutions *continued*

Resolution 13

Dr W E Massey

Walter Massey was appointed a non-executive director of BP in 1998 having previously been a member of the Amoco board since 1993. He is a member of the chairman's and nomination committees and is chairman of the ethics and environment assurance committee.

Dr Massey became a full professor of physics at Brown University in 1975, researching theoretical and solid state physics. From 1979 to 1984, he was director of the Argonne National Laboratory, one of the US Department of Energy's largest research centres and, from 1984 to 1991, he was vice president for research and professor of physics at the University of Chicago.

In 1991, he was appointed director of the US National Science Foundation, and was provost and senior vice president-academic affairs for The University of California System from 1993 to 1995. Dr Massey was appointed by President George W Bush to serve on the President's Council of Advisors on Science and Technology in 2001.

He is president of Morehouse College, one of the leading undergraduate colleges in the US. He is a non-executive director of Motorola, Bank of America, McDonald's Corporation, the Mellon Foundation and the Commonwealth Fund.

Dr Massey is active in several professional and civic organizations, including the American Academy of Arts and Sciences and the American Association for the Advancement of Science.

Dr Massey was born in 1938.

Proposal for re-election

While having a scientific and technological background, Dr Massey also brings a broad experience of business to the board. He has demonstrated this through his excellent chairmanship of the ethics and environment assurance committee. Having undertaken an appropriate due diligence exercise, the board has concluded that Dr Massey is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Dr Massey's independence, the board recommends his re-election as a non-executive director.

Resolution 14

Mr H M P Miles

Michael Miles was appointed as a non-executive director of BP in 1994. He is a member of the chairman's, audit, and ethics and environment assurance committees.

In 1958, Mr Miles joined the Swire Group, a multinational commercial group, whose principal areas of operation are in Asia, the Pacific Rim, Australia and the United States. Mr Miles spent most of his working life with the Swire Group in Japan, Australia and Hong Kong where until 1976, he held various executive positions in Swire Shipping. From 1970 to 1973, he was director of John Swire & Sons (HK) Ltd and chief executive of Swire (Japan) Ltd from 1973 to 1976.

He joined the board of Cathay Pacific Airways Limited in 1976 on his appointment as managing director, later serving as chairman between 1984 and 1988. He was appointed chairman of the Swire Group in Hong Kong in 1984 and served as a director of the Hong Kong and Shanghai Bank from 1984 to 1988.

In 1988, Mr Miles returned to London, becoming an executive

director of John Swire & Sons Ltd until 1999. He is now an adviser to the board of John Swire & Sons Ltd.

He is chairman of Schroders plc. In 1990, he became a director of Johnson Matthey Plc, a speciality chemicals group. He was appointed chairman in 1998. He is a director of BP Pension Trustees Limited.

He was a vice president of the China-Britain Business Council between 1992 and 1999 and a committee member of the Hong Kong Association between 1990 and 1999 and is again with effect from April 2003. He has been a governor of Wellington College since 1989.

Mr Miles was born in 1936. He was awarded an OBE in 1989.

Proposal for re-election

Mr Miles has had broad experience of operating within major international businesses, which is particularly relevant to his work on both the audit and the ethics and environment assurance committees. He has been on the board for 10 years. He will retire from the board in 2006. Having undertaken an appropriate due diligence exercise and, given his commitment and contribution to the board discussions, the board has determined that Mr Miles is an independent director and is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Mr Miles' independence, the board recommends his re-election as a non-executive director.

Resolution 15

Sir Ian Prosser

Sir Ian joined the board of BP as a non-executive director in 1997 and was appointed deputy chairman in 1999. He is the senior non-executive director, chairman of the audit committee and a member of the chairman's, nomination and remuneration committees.

Sir Ian qualified in 1967 as a chartered accountant with Cooper Brothers (now PricewaterhouseCoopers LLP) and was admitted as a fellow of the Institute of Chartered Accountants in England and Wales in 1967.

In 1969, he joined Bass Charrington Ltd, later Bass PLC. He was appointed finance director in 1978, group managing director in 1984 and chairman and chief executive in 1987, the position he retained until becoming executive chairman in 2000. At the end of 2003, he retired from the chairman's role and the board of what was then Intercontinental Hotels Group PLC, the company having sold its brewing interests in 2000 and demerged its hotels and soft drinks interests from its pub business in 2003.

He is also the senior independent non-executive director of GlaxoSmithKline plc and a non-executive director of the Sara Lee Corporation. He is a member of the CBI President's committee. He was previously on the boards of The Boots Company PLC and Lloyds TSB PLC.

Sir Ian was born in 1943 and knighted in 1995.

Proposal for re-election

Sir Ian continues to make a substantial contribution to the work of the board and its committees. As chairman of the audit committee, he has had the task of responding to increased regulatory scrutiny over the past two years and is now leading that committee in its work on the implementation of international financial reporting standards. There is no doubting his commitment to the board and its work. Having undertaken an appropriate due diligence exercise, the board has

concluded that Sir Ian is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Sir Ian's independence, the board recommends his re-election as a non-executive director.

Resolution 16

Mr M H Wilson

Michael Wilson was appointed a non-executive director of BP in 1998. He is a member of the chairman's, audit, and ethics and environment assurance committees.

In 1979, Mr Wilson was elected as a member of the Canadian Parliament, serving as Minister of State for International Trade. Following a return to government in 1984, he was Minister of Finance until 1991, during which period he represented Canada at meetings of the IMF, IBRD, OCED, GATT and G-7 Ministers' meetings. During 1991 to 1993, he held the posts of Minister of Industry, Science and Technology and Minister for International Trade.

In 1995, he became vice chairman of RBC Dominion Securities, responsible for senior client relationships and advice to both Canadian and international companies and governments.

In 2001, he was appointed president and CEO of UBS Global Asset Management (Canada) and, in 2004, became chairman of UBS Canada with responsibilities in investment banking, asset management and private banking activities in Canada.

He is a non-executive director of Manufacturers Life Insurance Company.

Mr Wilson is chairman of NeuroScience Canada Partnership, the Canadian Council for Public-Private Partnerships and the Canadian Coalition on Good Governance.

Mr Wilson was born in 1937 and became an Officer of the Order of Canada in 2003.

Proposal for re-election

Mr Wilson continues to make a significant contribution to the workings of the board and, in particular, to the audit and the ethics and environment assurance committees, where his experience of finance and risk is of particular relevance. Having undertaken an appropriate due diligence exercise, the board has concluded that Mr Wilson is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. Having satisfied itself of Mr Wilson's independence, the board recommends his re-election as a non-executive director.

Resolution 17

Mr P D Sutherland

Peter Sutherland was appointed chairman of BP in May 1997, having been a non-executive director and deputy chairman since July 1995.

A barrister, Mr Sutherland is a bencher of the Middle Temple in London and an honorary bencher of the King's Inns in Dublin. He practised at the Bar from 1969 to 1981, when he was appointed Attorney General of Ireland. He was also admitted to practise before the Supreme Court of the United States of America.

In 1984, he was nominated by the Government of Ireland as a Commissioner of the European Communities. He was a Commissioner

with responsibility for Competition Policy from 1985 until 1989. Subsequently, in 1992 he chaired the committee that reported to the European Commission on the functioning of the Internal Market (the Sutherland Report).

In 1989, Mr Sutherland became chairman of Allied Irish Banks plc and joined the BP board in 1990. He relinquished these appointments in 1993 when he became director-general of the General Agreement on Tariffs and Trade (GATT). He was subsequently director-general of the World Trade Organisation until 1995.

He is non-executive chairman of Goldman Sachs International and is a non-executive director of Investor AB and The Royal Bank of Scotland Group.

Mr Sutherland was born in 1946 and was awarded an honorary knighthood in 2004.

Proposal for re-election

Mr Sutherland has continued tirelessly to lead the board's governance and its development, its relations with shareholders and its interface with Lord Browne and his executive team. Mr Sutherland's performance was evaluated by the chairman's committee during the year. The board has confirmed its full support for Mr Sutherland in his role as chairman. Having undertaken an appropriate due diligence exercise, the board has concluded that Mr Sutherland is free from any relationship with the executive management of BP that could materially interfere with the exercise of his independent judgement. The board recommends his re-election as a non-executive director.

Notes on resolutions *continued*

Notes to resolution 18 – Reappointment of auditors

The appointment of Ernst & Young LLP as auditors of the company terminates at the conclusion of the Annual General Meeting. They have advised their willingness to stand for re-election as auditors of the company until the conclusion of the Annual General Meeting in 2006. The directors recommend their reappointment and seek authority to set their remuneration.

Notes to resolution 19 and 20 – Directors' authority to allot shares

The Articles of Association permit the directors to allot shares and other securities, in accordance with Section 80 of the Companies Act 1985, up to an amount authorized by the shareholders in general meeting. At this Annual General Meeting, the directors are seeking authority to allot shares up to a maximum of \$1,770 million. This is the 'Section 80 Amount' and is equal to 32.9% of the company's issued share capital as at 7 February 2005, the date *BP Annual Report and Accounts 2004* was approved.

The directors are also seeking authority to allot shares for cash and to dispose of treasury shares, other than by way of a rights issue, up to a maximum of \$265 million. This is the 'Section 89 Amount' and is equal to 5% of the company's issued share capital as at 7 February 2005.

By way of explanation, treasury shares are shares in the company which are owned by the company itself. Since a change to the law in December 2003, the company has been able to hold treasury shares. In anticipation of these changes, the company's new Articles of Association, adopted at the 2003 Annual General Meeting, made most of the necessary provision for dealing with treasury shares. One further amendment to the Articles of Association was made at the 2004 Annual General Meeting, once the new law had been enacted. This amendment ensured that sales of treasury shares by the company are now subject to the same pre-emption rights (and exceptions) as allotments of new shares. As at 7 February 2005, the company did not hold any treasury shares. It is the current policy of the company to hold shares which are repurchased as treasury shares. Some 206,117,000 shares were repurchased in the fourth quarter of 2004, had they been held in treasury, at 31 December 2004, these would have represented 0.96% of the company's issued ordinary share capital. The company may exercise authorities granted to it to dispose of treasury shares in accordance with the relevant legislation by:

- (a) selling the shares (or any of them) for cash, or
- (b) transferring the shares (or any of them) for the purposes of or pursuant to an employees' share scheme.

The authorities sought by resolutions 19 and 20 are similar to authorities granted at the last Annual General Meeting, which expire at the conclusion of this year's meeting. The extent of the authorities follows the guidelines issued by institutional investors. The directors have no present intention of exercising the authorities beyond their use in connection with treasury shares, mentioned above.

The authorities will expire on the date of the Annual General Meeting in 2006 or 13 July 2006, whichever is the earlier.

Notes to resolution 21 – Share buyback

Authority is sought to purchase up to 10% of the ordinary issued share capital of the company during the period stated below, continuing the authority granted by the shareholders at previous Annual General Meetings.

Resolution 21 specifies the maximum number of shares that may be purchased and the minimum and maximum prices at which they may be bought. The directors will exercise this authority only when to do so would be in the best interests of the shareholders generally. The authority will expire at the conclusion of the Annual General Meeting in 2006 or 13 July 2006, whichever is the earlier. Shares purchased under the authority may be held by the company as treasury shares, within the limits allowed by law. The directors may dispose of treasury shares in accordance with the requirements of the relevant legislation and the authority relating to rights of pre-emption granted by the shareholders in general meeting (see the note to resolutions 19 and 20 above).

Under the authority granted by shareholders, the company repurchased and cancelled 666,305,165 shares in the period from the last Annual General Meeting to 31 December 2004.

For information, as of 31 January 2005, there were options outstanding over 455 million ordinary shares, representing 2.12% of the company's ordinary issued share capital. If the authority given by resolution 21 were to be fully used, these would then represent 2.36% of the company's ordinary issued share capital. The company has no warrants in issue in relation to its shares.

Notes to resolution 22 – Directors' Remuneration Report

The Directors' Remuneration Report is included in *BP Annual Report and Accounts 2004* on pages 116 to 125 and is summarized in *BP Annual Review 2004* on pages 40 to 43. It complies with requirements of the Companies Act 1985 (as amended) for a report on the remuneration of all directors, both executive and non-executive.

The report is divided into two parts. Each part contains a section of information that is subject to audit. Executive director remuneration is contained in the first part of the report, which was prepared by the remuneration committee. Non-executive director remuneration is contained in the second part of the report, which was prepared by the company secretary on behalf of the board.

The report has been approved by the board and signed on its behalf by the company secretary.

Notes to resolution 23 – Renewal of the Executive Directors' Incentive Plan

Further information is contained on pages 11 to 13.

Notes to resolution 24 – Report and Accounts

The board of directors will present its report and the accounts for the year ended 31 December 2004.

Further information on resolution 23

Renewal of the Executive Directors' Incentive Plan

The board is seeking the approval of shareholders for a renewal of the Executive Directors' Incentive Plan (the 'plan'), which comprises the framework for long-term incentives for executive directors of BP p.l.c. ('BP' or the 'company'). The plan was first approved by shareholders in April 2000 for a five-year period. At that time it was explained that, if the remuneration committee (the 'committee') considered that the plan should be renewed, then shareholder approval would be sought at the Annual General Meeting in 2005.

During 2004, the committee conducted a comprehensive review of all elements of the remuneration policy for executive directors, including the operation of the plan, in the light of BP's specific needs and developments in best practice for directors' remuneration.

As part of that review, the committee concluded that the plan continued to provide a sound framework for establishing long-term incentive arrangements for executive directors and should be renewed for another five years. Some changes to policy and application are, however, appropriate and are described below.

Set out below are the main features of the plan, together with the objectives that the committee is specifically seeking to meet by renewing the plan and revising the policy for its implementation. Key proposed changes in executive director remuneration policy as a whole are set out in the Directors' Remuneration Report on pages 116 to 125 of *BP Annual Report and Accounts 2004* and are summarized in *BP Annual Review 2004* on pages 40 to 43. The Directors' Remuneration Report also contains details of the arrangements that have been implemented within the long-term incentive framework between 2000 and 2004.

The quantum and balance of the long-term incentives to be provided under the plan are reviewed by the committee, together with all the elements of the executive directors' remuneration, to ensure a comprehensive approach and to test overall market competitiveness.

In considering the proposal to renew the plan, shareholders should note that, while the framework remains essentially the same, the following are the proposed key changes in policy for long-term incentives:

- The committee does not currently intend to make further grants of share options. Instead it intends to replace the majority of the value of the directors' overall remuneration package that is attributable to options by increasing the grants under the share element (and including a dividend accrual). The remainder will be used to increase annual bonus potential, which will be based partly on long-term metrics and milestones as explained in the Directors' Remuneration Report. The committee's intention is that the overall quantum of remuneration should not be increased as a result of this revised policy and that the overall balance between long-term and short-term elements should be substantially maintained.
- The committee intends to improve and simplify the performance measures to be used for the share element as described below.
- The committee intends to base a part of the current group chief executive's share element on long-term personal leadership measures.

Key objectives of the plan

The committee believes that BP's continuing success depends on its world-class executive talent. The plan forms a very important part of a balanced combination of remuneration elements for executive directors, which are fully described in the Directors' Remuneration Report and reflect the overall performance-based remuneration policy for executive directors.

The key objectives of the plan following renewal will be to ensure

that the remuneration packages for the executive directors support the company's goal of maximizing long-term shareholder value, and to provide a just system of rewards for participants, taking into account the success of BP and the competitive global marketplace in which BP operates.

The plan is designed to achieve these objectives by:

- giving the committee a range of tools, within an overall framework approved by shareholders, with which to construct remuneration packages that are tailored to the company's business objectives each year and are calibrated to achieve the desired linkage between performance and reward;
- permitting the committee to assess performance against the goal of maximizing long-term shareholder value on both qualitative and quantitative grounds, thus allowing exercise of judgement in an informed and reasonable manner by the committee in relation to the vesting of awards; and
- making the terms and operation of the plan as clear and uncomplicated as possible for participants and shareholders.

The plan has been thoroughly reviewed by the committee, which has consulted specialist advisers (including academic experts) who are independent of executive management. It has also consulted a number of major shareholders, in line with the board's policy of being proactive in obtaining an understanding of shareholder preferences.

Plan summary

The plan has three separate elements, which are the tools available to the committee to construct executive directors' long-term incentive arrangements. These comprise the share element, the share option element and the cash incentive element. Each element is described below. In determining which of the elements to use and in setting performance conditions each year, the committee will consider a range of internal and external factors affecting BP, and best practice in relation to executive remuneration. Benefits under the plan are not pensionable.

The committee continues to believe that a significant long-term shareholding in the company by executive directors reinforces the alignment of their interests with those of shareholders. Shares will not be released from the share element to executive directors until a minimum share ownership target is met. Currently, this is equal to 5 x salary for executive directors. Sufficient shares may be sold to discharge tax liabilities in relation to the release of shares.

The plan is operated by the remuneration committee of non-executive directors. Its members are not eligible to participate in the plan and are considered by the board to be independent. The committee is accountable for its operation of the plan through the Directors' Remuneration Report, which is subject to shareholder vote at the Annual General Meeting each year.

The share element

This element permits the committee to award conditional shares ('performance shares') to executive directors, which will only vest if a demanding performance condition determined by the committee is met. As explained above, the committee currently intends that this element alone will now provide the long-term performance-based component of the executive directors' package. The move away from options is to ensure that levels of long-term reward reflect comparative performance against the industry peer group.

The award of performance shares will, for 2005 and future years, replace the previous grant mechanism under which participants were awarded 'performance units'. Performance units entitle participants to be considered for a share award at the end of the three-year

Further information on resolution 23 *continued*

performance period and may convert into ordinary shares at a maximum ratio of two shares for each performance unit. Vesting of the performance shares will be at a maximum ratio of one for one. This change is being implemented to simplify the operation of the plan and to increase transparency. It will not increase the value of the award levels or make performance conditions easier to achieve.

The maximum number of performance shares that may be awarded to an executive director in any one year will be determined at the discretion of the committee and will not normally exceed a value of 5.5 x base salary or, in the case of the group chief executive, 7.5 x base salary. This has been increased from previous maximum levels of effectively 4 x base salary in order to reflect the majority of the value previously granted as options.

Performance shares will only vest to the extent that a performance condition is met; this is described below. In addition, the committee will have an overriding discretion, in exceptional circumstances, to reduce the number of shares that vest (or to provide that no shares vest).

Where shares vest under awards made in 2005 and future years, an executive director will receive additional shares representing the value of dividends that would have been paid on these shares during the performance period and reinvested.

The performance condition attaching to performance shares will be determined by the committee at the time of grant of an award and will usually require a sustained improvement in the company's performance, normally relative to its peer group, over a period of not less than three years from grant.

The shares that vest following the end of the three-year performance period will normally be subject to a compulsory retention period determined by the committee. This will not usually be less than three years. Shares will only be released at the end of the retention period if the company's minimum shareholding guidelines (explained above) have been met. This gives executive directors a six-year incentive structure, and is designed to ensure that their interests are aligned with the long-term interests of shareholders.

For performance shares awarded in 2005, the performance condition will relate to BP's total shareholder return ('TSR') performance against the other oil majors (ExxonMobil, Shell, Total and ChevronTexaco) over a three-year period. TSR is calculated by reference to the share price performance of each company over the period, assuming dividends to be reinvested in the company's shares. All share prices will be averaged over the three months before the beginning and end of the performance period, and will be measured in US dollars. At the end of the performance period, the TSR performance of each of the companies will be ranked to establish the relative total return to shareholders over the period. Shares under the award will vest as to 100%, 70% and 35% if BP achieves first, second or third place respectively; no shares will vest if BP achieves fourth or fifth place.

After careful review, the committee is satisfied that relative TSR is the most appropriate measure of performance for BP's long-term incentive arrangements for executive directors as it best reflects the creation of long-term shareholder value. The committee has also carefully considered the appropriate comparator group and looked at a wide range of alternatives. Relative performance of the appropriate peer group is particularly key in order to minimize the influence of sector-specific effects, including oil price. The committee is convinced that this comparator group, while small, has the distinct advantage of being very clearly comprised of BP's global competitors. Consultation with major shareholders confirmed that this is the group already used

by most of them, as well as by management, in assessing BP's comparative performance. The committee will have the discretion to amend this peer group in appropriate circumstances, for example, in the case of any significant consolidations in the industry.

The committee is mindful of the possibility that a simple ranking system may in some circumstances give rise to distorted results in view of the broad similarity of the oil majors' underlying businesses, the small size of the comparator group and inherent imperfections in measurement. To counter this, the committee will have the ability to exercise discretion in a reasonable and informed manner to adjust (upwards or downwards) the vesting level derived from the ranking if it considers that the ranking does not fairly reflect BP's underlying business performance relative to the comparator group. The exercise of this discretion would be made after a broad analysis of the underlying health of BP's business relative to competitors as shown by a range of other measures, including, but not limited to, return on average capital employed, earnings per share growth, reserves replacement and cash flow. This will enable a more comprehensive review of long-term performance with the aims of tempering anomalies created by relying solely on a formula-based approach and of ensuring that the objectives of the plan are met.

It is anticipated that the need to use discretion is most likely to arise where the TSR performance of some companies is 'clustered', so that a relatively small difference in TSR performance would produce a major difference in vesting levels. In these circumstances, the committee will have ability to exercise discretion in a reasonable and informed manner to adjust the vesting level, normally by determining an average vesting level for the companies affected by the clustering.

The committee recognizes that it will be accountable to shareholders to use its discretion in the best interests of the company and that the committee has a corresponding duty to be transparent as to the manner in which it exercises its discretion. The committee will explain any adjustment to the relative TSR ranking in the next Directors' Remuneration Report following the vesting.

The committee may amend the performance conditions if events occur that would make the amended condition a fairer measure of performance and provided that any amended condition is no easier to satisfy.

For 2005, all executive directors will be awarded performance shares on the above basis. For awards in future years, the committee may continue with the same performance condition, or may impose a different condition, which it considers to be no less demanding.

As group chief executive, Lord Browne is eligible for performance share awards of up to 7.5 x base salary. The committee has determined that, while the largest part of this should relate to the TSR measure, it is appropriate that a specific part (up to 2 x base salary) should be based on long-term leadership measures. These measures will focus on sustaining BP's financial, strategic and organizational health and will include, but not be limited to, maintenance of BP's performance culture and the continued development of BP's business strategy, executive talent and internal organization. As with the TSR part of his award, this part will be measured over three-year performance periods.

In exceptional circumstances, the committee may make awards under the share element that are subject to a requirement of continued service over a specified period, rather than a corporate performance condition. Such awards will only be made as an element in a recruitment or retention incentive or as a reward for exceptional achievement of projects.

Generally, if a participant ceases employment before the end of the performance period, then entitlement to the performance shares awarded will lapse. However, awards will vest at the end of the performance period where cessation was due to ill-health, retirement or redundancy provided that, on cessation, at least 12 months have passed since the grant of the award. In appropriate circumstances, the committee may, at its discretion, preserve awards held by other participants who cease employment during the performance period but would normally then reduce the number of shares that vest at the end of the performance period pro rata to the proportion of the period that has elapsed at the time of cessation of employment. Where an award vests in those circumstances, the retention period will normally be one year, unless the committee decides otherwise.

The share option element

Share option grants have been made from 2000 to 2004 inclusive under the terms of the existing plan. As explained above, the committee does not currently intend to make further grants of share options. If the committee were to decide to grant share options in the future, it would take account of relevant best practice at the time. Any share options would be granted at an exercise price, in sterling or US dollars, which would not be less than the market value of the shares under option on the date of grant. All share options would be subject to a demanding performance condition. In the event that a share option holder resigns or is dismissed for cause prior to the date on which an option becomes exercisable, the option would normally lapse.

The cash incentive element

The plan also gives the committee the ability to grant long-term cash-based incentives. To date, the committee has not used this element, and would only do so in special circumstances in the future.

Consequences of certain corporate transactions

In the event of a change of control of BP as a result of a takeover offer or scheme of arrangement under Section 425 of the Companies Act 1985 (other than for the purpose of creating a new holding company), then:

- (a) if the relevant event occurs before the end of the performance period relating to an award under the share element, the committee will immediately determine the vesting level of awards, taking account of the proportion of the performance period that has elapsed and the degree to which the performance condition has been satisfied; and
- (b) share options may be exercised in accordance with the terms specified by the committee at the time of grant.

In certain circumstances, awards may be exchanged for equivalent rights over shares in an acquiring company. Unless they are so exchanged, all awards will lapse to the extent that they are not realized within two months of the date of change of control.

Equivalent provisions would apply to cash incentive awards.

General provisions and operation of the plan

The plan is operated in conjunction with an employee discretionary trust (the 'trust') whose trustees are wholly independent of BP.

The maximum number of shares that may be transferred to participants over the five-year extension to the life of the plan will not exceed 0.5% of the company's current issued ordinary shares. In order to avoid equity dilution, no new issues of shares will be made to satisfy awards under the plan. On renewal, treasury shares may be transferred

to satisfy awards under the plan. Alternatively, the company will make loans or gifts to the trust to enable it to acquire shares on the market for the purpose of satisfying awards.

Awards under the plan may relate to BP ordinary shares or BP ADSs. The committee may, in appropriate circumstances, permit participants to be paid a cash equivalent to the value of the shares to which they would have been entitled under the plan.

Awards under the plan may be made within the period of six weeks following the plan's renewal and thereafter within six weeks of announcement by the company of its results for any accounting period (or, in exceptional circumstances, at other times). No awards may be made later than five years after the date of the renewal. If the committee considers that the plan should be renewed, shareholder approval will be sought in 2010.

Awards under the plan are not transferable and may only be realized by the persons to whom they are granted (or, in the case of death, by their personal representatives).

In the event of a variation of the company's ordinary share capital (for example, by reason of a bonus issue or rights issue) or the demerger of a business or subsidiary, the number of shares subject to an award (and, in the case of an option, the exercise price) may be adjusted in such manner as the committee (upon the recommendation of auditors) thinks fit.

The committee may alter the rules of the plan, provided that alterations to the basic structure of the plan that are to the advantage of actual or potential participants may not be made without the prior approval of shareholders in general meeting. The requirement to obtain the prior approval of shareholders will not, however, apply to any alteration to benefit the administration of the plan. In addition, no amendment may operate to affect adversely any right already acquired by a participant.

Shareholder notes

Voting

Poll vote

Voting on all resolutions (other than procedural resolutions) will be by way of a poll.

Poll results

It is expected that the total of the votes cast by shareholders 'for' and 'against' each resolution will be published in the *Financial Times* and on www.bp.com on Monday 18 April 2005.

Abstentions

As abstentions are not instructions to vote they will not be recorded.

Notes for ordinary and preference shareholders

Ordinary shareholders' and preference shareholders' right to attend and vote at the Annual General Meeting

If you are an ordinary shareholder or a preference shareholder you may attend, speak and vote your shares at the Annual General Meeting if your name is on the Register of Members by 5.30 p.m. on Tuesday 12 April 2005. Your voting entitlement will depend on the number of shares that you hold at that time.

Members' right to appoint a proxy

As a member you may appoint a proxy or proxies to attend, speak and vote at the Annual General Meeting on your behalf. You may appoint the chairman of the meeting or a proxy of your own choice, who need not be a member of the company. If you cannot attend the meeting you can appoint your proxy and vote your shares either using the enclosed proxy card or on-line at www.bp.com/evoting. Our Registrar must receive your proxy appointments and instructions by 5.30 p.m. on Tuesday 12 April 2005.

Alterations

Any alterations to proxy cards or poll cards must be signed and initialled next to any changes that are made.

Appointments of and instructions to proxies

Where no instruction is given, either generally or in relation to any resolution, or if any other matter comes before the Annual General Meeting, your proxy may vote at his or her discretion or refrain from voting, as he or she sees fit.

The directors have laid down procedures to decide any unclear proxy appointments. Their decision will be final. The chairman of the meeting will decide any unclear voting instructions he receives. His decision will be final.

Changes to proxy voting instructions

Changes to written proxy voting instructions for the chairman must be made in writing and signed by the shareholder. To change your on-line voting instruction go to www.bp.com/evoting and submit your new instructions. The voting instruction received last will be the one that is followed. To be certain changes are accepted, they must be received by our Registrar by 5.30 p.m. on Tuesday 12 April 2005. The directors have laid down procedures concerning changes to proxy voting

instructions submitted after that time. Their decision will be final. Alternatively, shareholders wishing to change their proxy voting instructions may do so by attending the meeting in person and voting.

Multiple proxy instructions

If the company receives multiple instructions from the sole holder of shares, the instruction received last will be used. However, if a postal instruction and an on-line instruction are received on the same day, the on-line instruction will be followed.

Joint shareholders

Joint shareholders may attend the meeting. Any one shareholder may sign a proxy form or poll card on behalf of all joint shareholders. If more than one joint shareholder fills in a proxy form or poll card, the most recent voting instruction of the shareholder named first on our Register of Members will be accepted however that instruction is given.

Nominee shareholders

If more than one proxy is to be appointed to attend the meeting to represent and vote on individual interests, please call the Shareholder Helpline on 0800 701107 or on +44 (0) 121 415 7005 from outside the UK. If you hold shares on behalf of others and some of that holding is to be voted separately, you may do so on-line at www.bp.com/evoting.

Corporate shareholders

Corporate shareholders wishing to send a representative to the Annual General Meeting should fill in the name of the representative on the admission card and apply the company's common seal or have it signed by an authorized officer, stating his or her position. Corporate shareholders may also appoint proxies and vote on-line at www.bp.com/evoting or through CREST.

CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Lloyds TSB Registrars (ID 7RA01) by 5.30 p.m. on Tuesday 12 April 2005. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Powers of attorney

If you have given a power of attorney over your shares, you must ensure that the power of attorney has been deposited with our Registrar by 5.30 p.m. on Tuesday 12 April 2005.

Notes for ADS holders

ADS registered holders

If you hold BP American Depositary Shares ('ADSs') directly, your name will appear on the register of JPMorgan Chase Bank, N.A. (the 'Depositary'), and you are referred to as a 'registered holder'. Registered holders at the close of business on 1 April 2005 EST will be entitled to attend, speak and vote at this Annual General Meeting. If you do not plan to attend the meeting, you are entitled to appoint a proxy, the Depositary or someone else, to attend, speak and vote on your behalf.

If you wish to appoint the Depositary as your proxy, you may do so by providing your voting instruction to the Depositary via the internet, by telephone or by sending in a completed US proxy form, as described on the reverse of that form. Voting instructions must be received by the Depositary by 12 noon EST on 10 April for electronic instructions and by 12 noon EST on 12 April for voting cards.

If you wish to appoint someone other than the Depositary as your proxy, please contact the Depositary immediately at +1 877 638 5672 to obtain the appropriate form. You will need to complete the form with the name of your proxy, sign it and return it to the Depositary to be received before 12 noon EST on 11 April 2005. Further instructions will be included with the form. You will also need to give the US proxy card to your appointee to bring to the Annual General Meeting, along with proof of identity. Proxies not notified to the Depositary may be denied access to the meeting.

If you wish to attend the Annual General Meeting and vote in person, the Depositary will be present at the Royal Festival Hall to verify your right to attend. Please bring proof of identity.

ADS street name holders

If you do not hold your ADSs directly, but through a bank, broker or nominee, you should contact them for information on how to vote your ADSs.

If you wish to attend the Annual General Meeting, you will need to bring with you evidence of your shareholding in the form of a currently dated letter from your broker and proof of identity. On verification of such evidence you will be admitted to the Annual General Meeting but may not vote your shares at the Annual General Meeting.

Notes for employees

Ordinary share plans

If you hold shares through a BP employee share plan, you may instruct the share plan trustee to vote on your behalf at the Annual General Meeting.

In the UK, if you are already registered to vote on-line, you will receive an e-mail explaining how you can give the trustee your instruction. If you are not registered to vote on-line, a Form of Direction will be sent to you. If you require assistance you should contact Computershare on 0870 703 6207.

Outside the UK, you will either be sent a Form of Direction, or you will have received a letter from your employee share scheme co-ordinator or administrator, explaining how you can register to vote on-line or request a paper Form of Direction. If you need assistance, please contact your local employee share scheme co-ordinator or administrator directly.

If you wish to attend the Annual General Meeting, please contact Computershare on +44 (0)870 703 6207.

ADS plan participants

If you are allocated ADSs under selected BP or subsidiary employee savings plans (a 'Plan'), you are referred to as a 'Plan Participant'. Plan Participants are not registered holders.

Plan Participants at the close of business on 1 April 2005 EST are entitled to attend and speak at the Annual General Meeting but may not vote at the Annual General Meeting except as validly appointed proxies for registered holders. If you wish to vote, whether you plan to attend the Annual General Meeting or not, you should direct the trustee of your Plan how you wish to vote your ADSs.

You may direct the trustee to vote your shares, via the internet, by telephone or by sending in a completed US proxy form, as described on that form. The trustee will then appoint the Depositary as proxy to vote in accordance with your instructions. Voting instructions must be received by the Depositary before 12 noon EST on 6 April 2005.

Documents available for inspection

The following documents are available for inspection during normal business hours at 1 St James's Square, London SW1Y 4PD and at the Royal Festival Hall from 9.30 a.m. on 14 April 2005 until the conclusion of the Annual General Meeting:

- the Register of Directors' Interests, together with copies of directors' service contracts with the company;
- the Articles of Association;
- biographies of directors seeking election/re-election; and
- the rules of the Executive Directors' Incentive Plan.

Annual Review/Annual Report and Accounts

BP Annual Review 2004 contains a summary of the financial statements and Governance; Board Performance Report and Directors' Remuneration Report for the company. The full accounts for the company are contained in *BP Annual Report and Accounts 2004*. In the first year that you become a shareholder you will receive a copy of the full Annual Report and Accounts. In following years you will automatically be sent a copy of the Annual Review. If at any time you wish to elect to receive the full Annual Report and Accounts in place of the Annual Review, please notify our Registrar on freephone 0800 701107 or +44 (0) 121 415 7005 from outside the UK or by writing to our Registrar, Lloyds TSB Registrars at the address given below:

The BP Registrar, Lloyds TSB Registrars
The Causeway, Worthing, West Sussex BN99 6DA, UK.

Key contact numbers

BP Registrar

Lloyds TSB Registrars freephone 0800 701107
or +44 (0) 121 415 7005 from outside the UK

BP Employee Share Plans

Computershare 0870 703 6207
or + 44 (0) 870 703 6207 from outside the UK

BP ADS Depositary

JPMorgan Chase Bank +1 877 638 5672

Shareholders with special needs

If you need further help, or require a large-print or audio version of this notice, please call our Registrar, Lloyds TSB Registrars, on freephone 0800 701107 or + 44 (0) 121 415 7005 from outside the UK.

Attendance and venue

Where

Royal Festival Hall, Belvedere Road,
London SE1 8XX

Time

- Registration desks open at 9.30 a.m.
- Best arrival time is 10.15 a.m.
- Meeting starts at 11.00 a.m.

There are external building works being carried out around the Royal Festival Hall; please allow plenty of time for entry and registration.

Refreshments

Tea and coffee from 9.30 a.m. Lunch from 1.00 p.m.

How to get there

Underground stations

Waterloo – Northern, Bakerloo, Jubilee, Waterloo & City Lines
Embankment – District, Circle, Bakerloo, Northern Lines.

Railway stations

Waterloo, Charing Cross

Note – the connecting pedestrian bridges across the Thames from Embankment to Waterloo have a large number of stairs.

Car parking

Car Park A – Hungerford Bridge (open 24 hours)
Car Park B – Hayward Gallery (open from 8.00 a.m.)
Car Park C – Royal National Theatre (open from 7.00 a.m.)

All Blue Badge Holders please exchange your parking ticket for an exit ticket at the Hayward Gallery information desk.

If you are driving, please note that a London congestion charge is in force. This must be paid to Transport for London before 10.00 p.m. on the day of travel in order to avoid a penalty.

At the Royal Festival Hall

Shareholders with special needs

Please let us know at Registration if you have special needs.

We have sign language interpreters at the meeting. Please tell us at Registration if you need to be seated nearby. We also have 'Sennheiser' headsets.

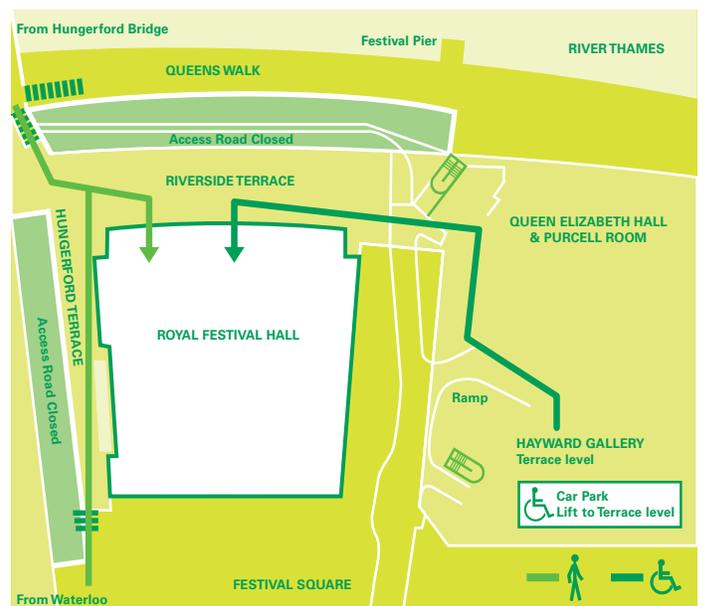
If you are in a wheelchair, level access to the Royal Festival Hall is via the Hayward Gallery car park lift from 9.30 a.m. We are happy to arrange for your companion to be allowed into the building.

Seating

We will give you a seat ticket at Registration. If you wish to ask questions during the meeting, please tell us at Registration.

Cloakroom

There is a cloakroom on level 2. We suggest you leave your coats and bags there before going to Registration.



Security

- We check everyone's bag or briefcase.
- We do not permit cameras or recording equipment in the Hall.
- Please switch off your mobile telephone or other electronic communication devices.
- We do not permit entry to persons whose conduct, behaviour or general demeanour may interfere with the good order of the meeting.
- We ask all those present at the meeting to facilitate the orderly conduct of the meeting, and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

Children

As the Annual General Meeting is a business meeting, we suggest that it is not appropriate to bring young children into the Hall. There are no crèche facilities at the Royal Festival Hall.