Notice of BP Annual General Meeting
2010

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This document is important and requires your immediate attention
If you are in any doubt about the action you should take, you should consult an appropriate 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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AGM webcast
If you are unable to come to the AGM please log on to our webcast.

The AGM will be filmed and broadcast live to shareholders via a webcast, which can be viewed on www.bp.com/agmwebcast. You can also watch an edited recording of the AGM subsequently on www.bp.com.

The broadcast may include the question and answer sessions with shareholders, as well as background shots of those present in the auditorium. We have also arranged for photographs to be taken throughout the premises for the duration of the event for BP’s photo library. These photographs may be used in future publications online or in print. If you attend the AGM in person, you may be included in photographs or in the webcast recording. Please note that the photographs and broadcast footage may be transferred outside the European Economic Area.

Large print
If you require a large-print version of this notice, please call our Registrar, Equiniti, on freephone 0800 701107 or +44 (0)121 415 7005 from outside the UK. Copies are also available at the AGM at Registration, together with a large-print version of the poll card.
I invite you to the BP Annual General Meeting (AGM) 2010 – BP p.l.c.’s 101st AGM and my first as chairman. We will meet at ExCeL London, in London’s Docklands, on Thursday, 15 April 2010 starting at 11.30 a.m. Since I joined BP I have had the pleasure of meeting a number of institutional shareholders, and I very much look forward to the meeting when all our shareholders can have the opportunity to consider the company’s performance with the board.

You will find the notice of meeting contained within this document, together with notes explaining the business we will consider on the day. As you will see, we have a full agenda. Along with the regular discussion of BP’s performance, the re-election of directors and the remuneration report, we have a further four matters to review, and I would like to highlight these here.

First, the proposed Scrip Dividend Programme. For some time, BP has given shareholders the choice of taking dividends in cash or in shares. In recent years this has been through a Dividend Reinvestment Plan (DRIP). We are now proposing to introduce the Scrip Dividend Programme, as we believe that for those shareholders who choose to take their dividend in shares rather than cash, the issuing of scrip shares is an attractive alternative. Resolution 18 changes the Articles of Association, among other things to facilitate this, and resolution 24 gives the board power to operate the Programme. If these proposals are approved, the DRIP scheme will cease and those of you in the DRIP will become members of the Scrip Dividend Programme automatically. Of course, you will also have the opportunity to opt out.

The 2006 Companies Act is now fully in force. Resolution 18 proposes that the company adopts a revised set of Articles to reflect the changes to the law, and to activate the Scrip Dividend Programme.

A third resolution, resolution 23, addresses the area of incentives and rewards for executive directors. In our industry there is keen competition for talent, and it is clearly important for the company’s future that our executives are incentivized and rewarded appropriately. Shareholders approved the current Executive Directors’ Incentive Plan in 2005 and the board now proposes to renew it. On this matter, I recommend that you read the relevant notes, which appear later as well as the 2009 directors’ remuneration report in BP Annual Report and Accounts 2009. I ask that you support these resolutions.

We will also be considering a resolution requested by a group of shareholders. Their reasons for raising this are set out in a statement included in this document, which is followed by the board’s response. My board colleagues and I have considered the words of this resolution carefully and recommend that you vote against it, for the reasons that we set out later.

I understand that our shareholders have long been able to engage in open and constructive dialogue with the board at our AGM and I expect to see this continue. I encourage every BP shareholder to take an active part in voting.
Notice is hereby given that the one hundred and first Annual General Meeting of BP p.l.c. (‘BP’ or the ‘company’) will be held at ExCeL London, One Western Gateway, Royal Victoria Dock, London E16 1XL, United Kingdom, on Thursday, 15 April 2010, commencing at 11.30 a.m., for the transaction of the following business.

The board recommends you vote for resolutions 1 to 24 inclusive, and against resolution 25.

**Resolution 1 – Report and accounts**
To receive the report of the directors and the accounts for the year ended 31 December 2009.
See notes on page 4.

**Resolution 2 – Directors’ remuneration report**
To approve the directors’ remuneration report for the year ended 31 December 2009.
See notes on page 4.

**Resolution 3**
To elect Mr P Anderson as a director.
See biography on page 5.

**Resolution 4**
To re-elect Mr A Burgmans as a director.
See biography on page 5.

**Resolution 5**
To re-elect Mrs C B Carroll as a director.
See biography on page 5.

**Resolution 6**
To re-elect Sir William Castell as a director.
See biography on page 6.

**Resolution 7**
To re-elect Mr I C Conn as a director.
See biography on page 6.

**Resolution 8**
To re-elect Mr G David as a director.
See biography on page 6.

**Resolution 9**
To elect Mr I E L Davis as a director.
See biography on page 7.

**Resolution 10**
To re-elect Mr R Dudley as a director.
See biography on page 7.

**Resolution 11**
To re-elect Mr D J Flint as a director.
See biography on page 7.

**Resolution 12**
To re-elect Dr B E Grote as a director.
See biography on page 8.

**Resolution 13**
To re-elect Dr A B Hayward as a director.
See biography on page 8.

**Resolution 14**
To re-elect Mr A G Inglis as a director.
See biography on page 8.

**Resolution 15**
To re-elect Dr D S Julius as a director.
See biography on page 9.

**Resolution 16**
To elect Mr C-H Svanberg as a director.
See biography on page 9.

**Resolution 17 – Reappointment of auditors**
To reappoint Ernst & Young LLP as auditors from the conclusion of this meeting until the conclusion of the next general meeting before which accounts are laid and to authorize the directors to fix the auditors’ remuneration.
See notes on page 10.

**Resolution 18 – Articles of Association**
To adopt as the new Articles of Association of the company the draft Articles of Association set out in the document produced to the meeting and, for the purposes of identification, signed by the chairman, so the new Articles of Association apply in substitution for and to the exclusion of the company’s existing Articles of Association.
See notes on page 10.
Resolution 19 – Share buyback
To authorize the company generally and unconditionally to make market purchases (as defined in Section 693(4) of the Companies Act 2006) 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 1.9 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 2011 or 15 July 2011, 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 notes on page 10.

Resolution 20 – Directors’ authority to allot shares
(Section 551)
To renew, for the period ending on the date of the annual general meeting in 2011 or 15 July 2011, whichever is the earlier, the authority and power conferred on the directors by the company’s articles of association to allow relevant securities up to an aggregate nominal amount equal to the Section 551 amount (or, if resolution 18 is not passed, equal to the Section 89 amount) of $3,143 million.

See notes on page 11.

Resolution 21 – Directors’ authority to allot shares
(Section 561)
To renew, for the period ending on the date of the annual general meeting in 2011 or 15 July 2011, whichever is the earlier, the authority and power conferred on the directors by the company’s Articles of Association to allot equity securities wholly for cash:

a. in connection with a rights issue;
b. otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 561 amount (or, if resolution 18 is not passed, equal to the Section 89 amount) of $236 million.

See notes on page 11.

Resolution 22 – Notice of general meetings
To authorize the calling of general meetings of the company (not being an annual general meeting) by notice of at least 14 clear days.

See notes on page 11.

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 initialed 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 notes on page 11.

Resolution 24 – Scrip Dividend Programme
Subject to the passing of resolution 18, to authorize the directors in accordance with Article 142 of the new Articles of Association to offer the holders of ordinary shares of the company, to the extent and in the manner determined by the directors, the right to elect (in whole or part), to receive new ordinary shares (credited as fully paid) instead of cash, in respect of any dividend as may be declared by the directors from time to time provided that the authority conferred by this resolution shall expire prior to the conclusion of the annual general meeting to be held in 2015.

See notes on page 12.

Shareholder resolution
Resolution 25
A group of members requisitioned the circulation of the following special resolution under the provisions of Section 338 of the Companies Act 2006. The supporting statement, supplied by the requisitionists together with the board response, is set out in Appendix 4.

“Special Resolution
That in order to address our concerns for the long term success of the Company arising from the risks associated with the Sunrise SAGD Project, we as shareholders of the Company direct that the Audit Committee or a Risk Committee of the Board commissions and reviews a report setting out the assumptions made by the Company in deciding to proceed with the Sunrise Project regarding future carbon prices, oil price volatility, demand for oil, anticipated regulation of greenhouse gas emissions and legal and reputational risks arising from local environmental damage and impairment of traditional livelihoods. The findings of the report and review should be reported to investors in the Business Review section of the Company’s Annual Report presented to the Annual General Meeting in 2011.”

The board opposes Resolution 25
The board recommends a vote AGAINST this resolution.

The board’s reasons are set out in Appendix 4.

Note: Resolutions 1 to 17 inclusive and Resolutions 20, 23 and 24 will be proposed as ordinary resolutions. Resolutions 18, 19, 21, 22, and 25 will be proposed as special resolutions. Resolutions 18 to 25 inclusive are items of special business.

By order of the board

David J Jackson
Company Secretary
26 February 2010

Notes for ordinary and preference shareholders, ADR holders, employee share plan participants and indirect investors can be found on pages 27-29.
Notes on resolutions

Notes to Resolution 1
Report and accounts

The board of directors will present its report and the accounts for the year ended 31 December 2009, which is contained in BP Annual Report and Accounts 2009.

Notes to Resolution 2
Directors’ remuneration report


The part of the report dealing with executive directors’ remuneration was prepared by the remuneration committee and the part of the report dealing with non-executive directors’ remuneration by the company secretary on behalf of the board. Relevant sections of information are subject to audit.

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

A summary of the directors’ remuneration report can be found on pages 30-31 of BP Annual Review 2009.

Notes to Resolutions 3-16
Re-election of directors

As required by the company’s Articles of Association, Mr A Burgmans, Mrs C B Carroll, Sir William Castell, Mr I C Conn, Mr G David, Mr R Dudley, Mr D J Flint, Dr B E Grote, Dr A B Hayward, Mr A G Inglis, and Dr D S Julius, retire and offer themselves for re-election as directors. Mr P Anderson, Mr I E L Davis and Mr C-H Svanberg 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.

In respect of each of the non-executive directors, the board has fully considered whether a director is free from any relationship with the executive management of BP that could materially interfere with the exercise of his or her independent judgement.
Resolution 3
Mr P Anderson

Proposal for election
Mr Anderson has spent his career as an executive and chief executive in the energy industry, specifically in oil and gas. His skill and experience will be of significance to the board and to the safety, ethics and environment assurance committee of which he will be a member. Having satisfied itself of Mr Anderson’s independence, the board recommends his election as a non-executive director.

Paul Anderson was appointed a non-executive director of BP on 1 February 2010. He is a non-executive director of BAE Systems PLC and of Spectra Energy Corp. He was formerly chief executive at BHP Billiton and Duke Energy where he also served as a non-executive director. Having previously been chief executive officer and managing director of BHP Limited and then BHP Billiton Limited and BHP Billiton Plc, he rejoined these latter boards in 2006 as a non-executive director, retiring on 31 January 2010. He was born in 1945.

Resolution 4
Mr A Burgmans

Proposal for re-election
Mr Burgmans has served on the board for more than six years. During this time his international experience in marketing and process industries together with his contribution around corporate culture has been notable. He continues his work on the safety, ethics and environment assurance committee and has recently joined the remuneration committee. Having satisfied itself of Mr Burgman’s independence, the board recommends his re-election as a non-executive director.

Antony Burgmans was appointed a non-executive director of BP in 2004. He is a member of the chairman’s, the remuneration and the safety, ethics and environment assurance committees.

He joined Unilever in 1972, holding a succession of marketing and sales posts including, from 1988 until 1991, the chairmanship of PT Unilever Indonesia.

In 1991, he was appointed to the board of Unilever, becoming business group president, ice cream and frozen foods, Europe, in 1994, and 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, he became non-executive chairman of Unilever NV and Unilever PLC until his retirement in 2007.

Mr Burgmans is a member of the supervisory boards of Akzo Nobel NV, AEGON NV and SHV Holdings NV.

Mr Burgmans was born in 1947.

Resolution 5
Mrs C B Carroll

Proposal for re-election
Mrs Carroll has served on the board for nearly three years. Her career in the global extractive industries and her understanding of geopolitical challenges is particularly relevant to the work of the board and the safety, ethics and environment assurance committee of which she is a member. Having satisfied itself of Mrs Carroll’s independence, the board recommends her re-election as a non-executive director.

Cynthia Carroll was appointed a non-executive director of BP in 2007. She is a member of the chairman’s and the safety, ethics and environment assurance committees.

Mrs Carroll started her career with Amoco as a petroleum geologist in oil exploration.

In 1989, she joined Alcan, and in 1991 became vice president/general manager of Alcan foil products. In 1996, she was appointed managing director of Aughinish Alumina Limited, a subsidiary of Alcan Aluminium Limited in Ireland. In 1998, she became president of bauxite, alumina and specialty chemicals and in 2002 was appointed president and chief executive officer of Alcan’s primary metals group and an officer of Alcan, Inc. in Montreal, Canada.

Mrs Carroll was appointed as chief executive of Anglo American plc, the global mining group, in 2007. She is a director of Anglo Platinum Limited and De Beers s.a.

Mrs Carroll was born in 1956.
Resolution 6

Sir William Castell

Proposal for re-election

Sir William has served on the board for nearly four years and during that period his experience in global business in the field of science and technology and in the US has been particularly relevant. Sir William chairs the safety, ethics and environment assurance committee and he has continued his focus on operational safety and environmental matters. He has also served on the nomination committee and will become the board’s senior independent director after the 2010 AGM. Having satisfied itself of Sir William’s independence, the board recommends his re-election as a non-executive director.

Resolution 7

Mr I C Conn

Proposal for re-election

Mr Conn has served on the board for more than six years. His performance has been evaluated by the group chief executive and considered by the chairman’s committee, as a result of which the board recommends Mr Conn’s re-election as an executive director.

Resolution 8

Mr G David

Proposal for re-election

Mr David has served on the board for more than two years. He has substantial global business and financial experience through his long career with United Technologies Corporation (UTC) and on a number of US boards. He continues to make a significant contribution to the audit committee and joined the remuneration committee during the year. The board is satisfied with Mr David’s independence and recommends his re-election as a non-executive director.
Resolution 9
Mr I E L Davis

Proposal for election
Mr Davis is to join the board as a non-executive director of BP on 2 April 2010. Ian Davis is to join the board as a non-executive director of BP
He has had significant experience working with global organizations over the past 30 years. Mr Davis will join the remuneration committee. He is considered independent by the board, which recommends his election as a non-executive director.

Resolution 10
Mr R Dudley

Proposal for re-election
Mr Dudley has served on the board for one year. His performance has been evaluated by the group chief executive and considered by the chairman’s committee, as a result of which the board recommends Mr Dudley’s re-election as an executive director. Bob Dudley was appointed an executive director of BP on 6 April 2009, and has responsibility for the group’s activities in the Americas and Asia.

He joined Amoco Corporation in 1979, working in a variety of engineering and commercial posts. Between 1994 and 1997, he worked on corporate development in Russia. In 1997, he became general manager for strategy for Amoco and in 1999, following the merger between BP and Amoco, was appointed to a similar role in BP.

Between 1999 and 2000, he was executive assistant to the group chief executive officer, subsequently becoming group vice president for BP’s renewables and alternative energy activities. In 2002, he became group vice president responsible for BP’s upstream businesses in Russia, the Caspian Region, Angola, Algeria and Egypt. From 2003 until December 2008, Mr Dudley was president and chief executive officer of TNK-BP.

Mr Dudley was born in 1955.

Resolution 11
Mr D J Flint

Proposal for re-election
Mr Flint has served on the board for more than five years. He continues to demonstrate a breadth of business experience against a strong financial background in his work on the audit committee. He will take over the chair of the audit committee and join the nomination committee at the end of the 2010 AGM. The board is satisfied with Mr Flint’s independence and recommends his re-election as a non-executive director. Douglas Flint was appointed to the board of BP as a non-executive director in 2005. He is a member of the chairman’s and the audit committees. Following the AGM he will become chair of the audit committee and join the nominations committee.

He began his career with Peat Marwick Mitchell & Co. (now KPMG) and was made a partner in 1988. In 1995, Mr Flint joined the HSBC Group as group finance director of HSBC Holdings plc and in 2009 his role was broadened to chief financial officer, executive director risk and regulation.

He was chairman of the Financial Reporting Council’s review of the Turnbull Guidance on Internal Control and served on the Accounting Standards Board and the Standards 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 and was awarded a CBE in 2006.
Resolution 12
Dr B E Grote

Proposal for re-election
Dr Grote has served on the board for nearly 10 years. His performance has been evaluated by the group chief executive and considered by the chairman's committee, as a result of which the board recommends Dr Grote's re-election as an executive director.

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 has accountability for BP's integrated supply and trading activities.


He became group chief of staff in 1997 and, following the merger of BP and Amoco, in 1999 he was appointed executive vice president, exploration and production.

He is a non-executive director of Unilever NV and Unilever PLC.

Dr Grote was born in 1948.

Resolution 13
Dr A B Hayward

Proposal for re-election
Dr Hayward has served on the board for more than seven years. His performance has been evaluated and considered by the chairman's committee, as a result of which the board recommends his re-election as an executive director.

Tony Hayward was appointed to the board of BP in 2003 and became group chief executive in 2007. From 2002 until 2007, he was chief executive officer of BP’s exploration and production business segment.

He joined BP in 1982 and, following a series of technical and commercial roles in BP exploration, 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 and in 1999, following the merger of BP and Amoco, he became a group vice president and a member of the upstream executive committee. He was appointed group treasurer in 2000 and became an executive vice president in 2002, becoming chief executive officer for exploration and production later that year.

Dr Hayward was born in 1957.

Resolution 14
Mr A G Inglis

Proposal for re-election
Mr Inglis has served on the board for more than three years. His performance has been evaluated by the group chief executive and considered by the chairman's committee, as a result of which the board recommends his re-election as an executive director.

Andy Inglis was appointed to the board of BP in 2007, becoming chief executive of BP’s exploration and production business segment.

Mr Inglis joined BP in 1980. Following a variety of roles he was appointed chief of staff, exploration and production in 1996. From 1997 until 1999, he was responsible for leading BP’s activities in the deepwater Gulf of Mexico.

In 1999, following the merger of BP and Amoco, he was appointed vice president, US western gas business unit. In 2004, he became executive vice president and deputy chief executive of exploration and production with responsibility for BP’s growth areas.

He is a non-executive director of BAE Systems plc. Mr Inglis was born in 1959.
Resolution 15
Dr D S Svanberg

Proposal for re-election
Dr Svanberg joined the board in September 2009. He has had a significant career in several important industries latterly as chief executive officer of Ericsson. He has significant global experience. He was independent on his appointment and the board recommends his election as a director.

DeAnne Julius was appointed a non-executive director of BP in 2001. She is chairman of the remuneration committee and a member of the chairman’s and the nomination committees.

Dr Julius began her career in 1975 working for the World Bank. In 1986, she became director of the International Economics Programme at the Royal Institute of International Affairs, and in 1989 she was appointed chief economist at the Royal Dutch Shell Group becoming chief economist at British Airways PLC in 1993.

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 Roche Holdings SA and Jones Lang LaSalle, Inc.

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

Resolution 16
Mr C-H Svanberg

Proposal for election
Mr Svanberg joined the board in September 2009 and, in succession to Mr Sutherland, became chairman of BP on 1 January 2010. He is chairman of the chairman’s and the nomination committees, and attends meetings of the remuneration committee.

Mr Svanberg spent his early career at Asea Brown Boveri and the Securitas Group, before moving to the Assa Abloy Group as president and chief executive officer.

From 2003 until 31 December 2009, when he left to join BP, he was president and chief executive officer of Ericsson, also serving as the chairman of Sony Ericsson Mobile Communications AB.

Mr Svanberg continues to be a non-executive director of Ericsson, and is also on the boards of the Confederation of Swedish Enterprise, Melker Schörling AB and the University of Uppsala.

He is a member of the Steering Committee of the Global Alliance for Information and Communication Technologies and Development and of the external advisory board of the Earth Institute at Columbia University.

Mr Svanberg is the recipient of the King of Sweden’s medal for his contribution to Swedish industry.

Mr Svanberg was born in 1952.
Notes to resolution 17
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 indicated their willingness to stand for re-election as auditors of the company until the conclusion of the annual general meeting in 2011. The directors recommend their reappointment and seek authority to fix their remuneration.

Notes to resolution 18
Articles of Association

It is proposed to adopt new articles of association (the ‘New Articles’). These are intended to replace the company’s current articles of association (the ‘Current Articles’). From 1 October 2009, the Companies Act 2006 (the ‘Act’) abolished the need to have object provisions in a company’s memorandum of association, and provided that the provisions of a company’s memorandum are treated as forming part of the company’s articles of association. The current object provisions will therefore be repealed on the adoption of the New Articles. In addition the New Articles will take account of the implementation of the final provisions of the Act, any changes to the Act as a result of the implementation of the Companies (Shareholders’ Rights) Regulations 2009 and to enable the company to implement the Scrip Dividend Programme. Due to the extent of the changes, the company is proposing the adoption of the New Articles rather than amendments to the Current Articles.

The principal changes being proposed in the New Articles are summarized in Appendix 1. Other changes, which are of a minor technical or clarifying nature, have not been noted. A clean copy of the New Articles and a copy marked up to show changes from the Current Articles are available for inspection as noted on page 32 and at www.bp.com/agmdownloads.

Notes to resolution 19
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 19 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 shareholders generally. The authority will expire at the conclusion of the annual general meeting in 2011 or 15 July 2011, whichever is the earlier. Shares that are purchased by the company must either be cancelled or held in treasury. Treasury shares are shares in the company that are owned by the company itself. Once shares are held in treasury, the directors may dispose of them in accordance with the relevant legislation by:

a. selling the shares (or any of them) for cash;
b. transferring the shares (or any of them) for the purposes of or pursuant to an employees’ share scheme; or
c. cancelling the shares (or any of them).

It is the company’s current intention that, of the shares repurchased under this authority, sufficient shares will be held in treasury to meet the requirements as they arise of the company’s share incentive arrangements, with the remainder being cancelled.

No repurchases of shares were made from the date of the last annual general meeting to 31 December 2009. For information, as at 18 February 2010, there were options outstanding over 285,364,691 million ordinary shares, representing 1.51% of the company’s ordinary issued share capital (excluding treasury shares). If the authority given by resolution 19 were to be fully used, these would then represent 1.68% of the company’s ordinary issued share capital (excluding treasury shares). The company has no warrants in issue in relation to its shares.
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Notes on resolutions

Notes to resolutions 20 and 21

Directors’ authority to allot shares

The purpose of resolution 20 is to give the directors authority to allot shares up to a specified amount, and resolution 21 enables directors to allot such shares in particular circumstances without having to offer such shares to existing shareholders.

Influenced by events in the financial markets over the past few years, the Association of British Insurers (ABI) changed its guidelines to increase the amount of the authorities that directors may seek in relation to the allotment of shares and disapplication of pre-emption rights. The company is now intending to take advantage of this flexibility, which has been widely adopted by other quoted companies.

In relation to resolution 20, the directors are seeking authority to allot shares, in accordance with revised institutional investor guidelines, of up to a maximum of $3,143 million. This is equal to 66.6% of the company’s issued share capital (excluding treasury shares) as at 18 February 2010. If the New Articles are adopted under resolution 18, then the relevant authority contained in the New Articles under Section 551 of the new Act will be activated by resolution 20 and so will apply. If the New Articles are not adopted, the existing authority contained in the Current Articles under Section 80 of the Companies Act 1985 will be continued by the resolution to ensure that this authority would still be available to the directors.

In relation to resolution 21 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 $236 million, without having to offer such shares to existing shareholders. This is equal to 5% of the company’s issued share capital (excluding treasury shares) as at 18 February 2010.

In accordance with the guidelines issued by the Pre-Emption Group of the ABI, the directors confirm their intention that no more than 7.5% of the issued share capital will be issued for cash on a non-pre-emptive basis during any rolling three-year period. The directors have no present intention of exercising the authorities beyond their use in connection with the disposal of treasury shares in accordance with the relevant legislation.

As in the case of resolution 20, if the New Articles are adopted then the relevant authority in the New Articles under Section 561 of the new Act will be activated by resolution 21 and so will apply. Similarly, if the new Articles are not adopted, the existing authority contained in the Current Articles under Section 89 of the Companies Act 1985 will be continued by the resolution.

As at 26 February 2010, the company held 1,867,679,692 treasury shares, which represents 9.89% of the company's issued ordinary share capital (excluding treasury shares).

The authorities will expire on the date of the annual general meeting in 2011 or 15 July 2011, whichever is the earlier.

Notes to resolution 22

Notice of general meetings

Due to changes in the law made by the implementation of the Companies (Shareholders’ Rights) Regulations 2009, listed companies must call general meetings (other than an annual general meeting) on at least 21 clear days’ notice unless the company:

a. has obtained shareholder approval for the holding of general meetings on 14 clear days’ notice by passing an appropriate resolution at its most recent annual general meeting; and

b. offers the facility for shareholders to vote by electronic means accessible to all shareholders.

To enable the company to continue to utilize the shorter notice period of 14 days for calling such general meetings, shareholders are being asked to approve this resolution. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. If granted, this authority will be effective until the company’s next annual general meeting. This is the same authority as was sought and granted at the 2009 AGM.

Notes to 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 the company. The plan was first approved by shareholders in April 2000 and renewed in April 2005, in each case for a five-year period. In 2005, it was explained to shareholders that, if the remuneration committee considered that the plan should be renewed, then shareholder approval would be sought at the annual general meeting in 2010.

Further information is contained in Appendix 2.
Notice of BP Annual General Meeting 2010

Notes on resolutions

Notes to resolution 24

**Scrip Dividend Programme**

For some time, the company has given shareholders the choice of taking dividends in cash or shares/American Repository Receipts ('ADRs'). During recent years, eligible shareholders have been able to participate in the BP Dividend Re-investment Programme ('DRIP') and ADR holders in the direct access plan, giving them the opportunity to use their cash dividend to buy additional ordinary shares or ADRs in the company through special dealing arrangements.

The company is now proposing to introduce the Scrip Dividend Programme as it is believed that for those shareholders who choose to take their dividend in shares or ADRs rather than cash, the Scrip Dividend Programme is an attractive alternative.

If approved (and assuming the adoption of the New Articles of Association), the Programme will allow participants to receive ordinary shares or ADRs for every cash dividend entitlement where the scrip is offered, unless and until they notify the company otherwise. The directors will retain the discretion to decide whether to offer a scrip dividend alternative in respect of each future dividend. However, it is the directors' current intention to offer the scrip alternative for each dividend paid. UK shareholders who elect to take new shares in the company under the Programme will increase their holdings without incurring stamp duty. ADR holders will be subject to stamp duty relief tax and issuance fees.

The requirements of the Scrip Dividend Programme mean that there will be certain changes to the current dividend timetable. BP is a company that operates and accounts for its performance in US dollars, has its ordinary shares denominated in US dollars and its dividend is US dollar based. It has been the company’s custom to announce the sterling equivalent of the dividend at the time that the US dollar dividend is announced. On implementation of the Scrip Dividend Programme, the US dollar dividend will be announced as usual. However, the announcement of the equivalent GBP dividend will not take place until after the date when shareholders need to decide whether to elect to receive their dividend in shares rather than cash. This change in the timetable results from the company not being able to determine the amount of cash required for dividend payments until after scrip elections have been made. However, the company intends to publish on its website an illustrative GBP equivalent after it announces its US dollar dividend. To enable shareholders sufficient time to decide whether to elect for the scrip, cash dividends will be paid approximately two weeks later than currently.

It is proposed that, subject to shareholder approval, the Programme would commence at the earliest with the first quarter 2010 interim dividend, which is expected to be announced on 27 April 2010.

On the approval of this resolution and the adoption of the New Articles, the DRIP will be withdrawn. As permitted under the New Articles, existing participants in the DRIP will be treated as having elected to participate in the Programme without having to make a Scrip Dividend election. Any shareholder who participates in the DRIP and is included in this arrangement will be entitled to withdraw from the Programme by contacting our Registrars, Equiniti. Any cash balances remaining for DRIP participants on its termination will be carried forward (without interest) to be included in the calculation of the next dividend entitlement.

Due to the introduction of the Scrip Dividend Programme, plans in other jurisdictions conferring dividend reinvestment elements may be withdrawn. Where that is the case shareholders will receive formal notice of this.

Details of how the Scrip Dividend Programme will operate for ordinary shareholders can be found at Appendix 3. Separate details of how the Programme will operate for ADR holders will be sent to ADR holders with this notice of meeting. The full Terms and Conditions of the Programme are available on our website at www.bp.com/scrip or from our Registrars, Equiniti.

In line with investor protection guidelines, the authority contained in this resolution is sought for five years and shall therefore expire prior to the conclusion of the annual general meeting to be held in 2015. Unless there is a change in circumstances, the company expects to seek an extension of this authority prior to its expiry.

Notes to resolution 25

**Shareholder resolution**

Resolution 25 has been requisitioned by a group of shareholders. The company’s response to that resolution is in Appendix 4.
Appendix 1
Explanatory notes of principal changes to the company’s articles of association

Substantive changes being proposed in the New Articles are intended to bring them into line with changes in the law, to affect the implementation of the Scrip Dividend Programme and to, separately, give greater flexibility to the methods of payment of cash dividends. These changes are not intended to affect the manner in which the company operates.

1. The company’s objects
The provisions regulating the operations of the company are currently set out in the company’s memorandum and articles of association. Historically a company’s objects were stated in its memorandum. They were important as the means of giving the company capacity to operate in the specific fields set by its shareholders. Over time the objects came to be expressed in such wide terms as to provide no real limit on what the company could do. The Companies Act 2006 (‘Act’) recognizes this and has abolished the need to have object provisions and states that unless a company’s articles provide otherwise, a company’s objects are unrestricted.

For this reason the company is proposing to remove its objects clause together with all other provisions of its memorandum that, by virtue of the Act, are treated as forming part of the company’s articles of association as of 1 October 2009. As the effect of the changes will be to remove the statement currently in the company’s memorandum regarding limited liability, the New Articles will contain an express statement regarding the limited liability of shareholders.

2. Articles that duplicate statutory provisions
Provisions in the Current Articles that replicate provisions contained in the Act are where necessary removed or amended to bring them into line with the Act.

3. Change of name
Under the Companies Act 1985, a company could only change its name by special resolution. Under the Act a company will be able to change its name by other means provided for by its articles.

To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the company’s name.

4. Authorized share capital and unissued shares
The Act abolishes the requirement for a company to have an authorized share capital and the New Articles reflect this. The old requirement used to operate as a control on the dilution of shareholdings but this function has over the years been superseded by controls over allotments, which are in the company’s articles and are renewed at each annual general meeting (see resolutions 20 and 21). Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act, save in respect of employee share schemes. Consequential amendments to reflect this have been made in the New Articles.

5. Redenomination of shares
The New Articles include a provision that enables the company, on the approval of shareholders by ordinary resolution, to redenominate its nominal share capital from one currency to another.

6. Redeemable shares
Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Act enables directors to determine such matters instead, provided they are so authorized by the articles. The New Articles contain such an authorization. The company has no plans to issue redeemable shares but if it did so the directors would need shareholders’ authority to issue new shares in the usual way.

7. Authority to purchase own shares, consolidate and subdivide shares, and reduce share capital
Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or subdivide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Act a company will only require shareholder authority to do any of these things, and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

8. Provision for employees on cessation of business
The Act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorized by the company’s articles or by the company in general meeting. The New Articles provide that the directors may exercise this power.

9. Use of company seals
Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Act, such authority will no longer be required. Accordingly, the relevant authorization has been removed in the New Articles.

The New Articles also provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorized person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.
10. Suspension of registration of share transfers
The Current Articles permit the directors to suspend the registration of transfers. Under the Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

11. Voting by corporate representatives
The Shareholders’ Rights Regulations have amended the Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles remove provisions in the Current Articles dealing with voting by corporate representatives on the basis that these are now dealt with in the Act.

12. Adjournments for lack of quorum
Under the Act as amended by the Shareholders’ Rights Regulations, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The Current Articles have been changed to reflect this requirement.

13. Postponement of meetings
The New Articles include provisions to allow the directors to postpone a general meeting if they consider that it would be impractical or unreasonable to hold such meeting on the intended date, time and/or place.

14. Scrip Dividend Programme
The New Articles include provisions that would enable the company to introduce a Scrip Dividend Programme, where this has been approved by shareholders by ordinary resolution. These include provisions to allow existing participants in the BP DRIP to be treated as having elected to participate in the Programme without having to make a Scrip Dividend election and to enable any cash balances remaining for DRIP participants to be carried forward (without interest) to be included in the calculation of the next dividend entitlement. In addition, the provisions enable the directors to capitalize the appropriate nominal amounts of new shares of the company allotted under the Programme out of the sums standing to the credit of any reserve account of the company including the share premium account.

15. Payment mechanisms for dividends
The New Articles include provisions that give the company more flexibility as to the method by which they can pay dividends. Although it is not the current intention to change the current method of payment by cheque, future circumstances may make this desirable, or even necessary, such as any changes in banking practice that eliminate cheque payments.
Appendix 2
Explanatory notes relating to the 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 forms 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 and renewed in April 2005, in each case for a five-year period. In 2005, 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 2010 AGM.

During 2009, the committee conducted a comprehensive review of all elements of 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. The committee also consulted a number of major shareholders, in line with the board’s policy of being proactive in obtaining an understanding of shareholder preferences.

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. As described below, some changes to policy in operating the framework are appropriate, the most important being the introduction of a deferred matching share element (‘the deferred matching element’) to operate alongside the performance share element.

The remuneration packages for executive directors will comprise a balance of the following elements:
- salary;
- annual bonus, a proportion of which will be deferred into shares under the deferred matching element. Vesting of this element will be dependent on the committee’s assessment of safety and environmental sustainability over a three-year deferral period;
- a long-term incentive award under the performance share element of the plan. Vesting of this element will be dependent on the company’s financial and operational performance relative to the oil majors over a three-year performance period; and
- appropriate final salary pension arrangements.

The committee believes that the combination of vesting conditions on the deferred matching and performance share elements is consistent with its policy of taking a holistic approach towards measurement of long-term performance.

Set out below are the main features of the plan, together with an explanation of the objectives that the committee is seeking to meet by renewing the plan. Key proposed changes in executive director remuneration policy as a whole are set out in the directors’ remuneration report on pages 81 to 92 of BP Annual Report and Accounts 2009. The directors’ remuneration report also contains details of the arrangements that have been implemented under the plan over the past few years.

Each year, 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 the following key changes to the framework of the plan and to the committee’s policy for operating it:
- the framework of the plan will be amended by creating a deferred matching element, which will implement the committee’s policy of deferring a portion of annual bonus into shares. Further information on this element is set out below;
- the current structure for granting performance share awards will remain largely unchanged, save that the maximum grant level will be reduced from 2011 (as described below) to reflect the introduction of the deferred matching element;
- all categories of award, and shares vesting under awards, will be subject to clawback in the event they were assessed on the basis of materially misstated financial or other data;
- the treatment of participants who leave employment before the vesting of awards will be updated to take account of developments in market practice, including to provide for the prorating of awards that are preserved on leaving; and
- the cash element (which has not to date been used) will be removed from the plan.

Key objectives of the plan
The committee believes the plan forms a very important part of a balanced combination of remuneration elements for executive directors.

The key objectives of the plan are to ensure that the remuneration packages for the executive directors support the company’s goal of maximizing sustainable long-term shareholder value, and to provide a just system of fixed and variable pay 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 pay;
- 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 shares; and
- making the terms and operation of the plan as clear and uncomplicated as possible for participants and shareholders.

Plan summary
The plan will have three elements for the committee to use to construct executive directors’ long-term incentive pay. These will comprise: (i) the performance share element; (ii) the deferred matching element; and (iii) the share option element. Each element is described below. The long-term cash-based incentive element will no longer be available. 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.
The committee believes that a significant long-term shareholding in the company by executive directors reinforces the alignment of their interests with those of shareholders. Currently this comprises a target of shares equivalent to 5 times salary within a reasonable time of appointment as an executive director.

The plan is operated by the remuneration committee composed 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 deferred matching element
This element permits the committee to satisfy one-third of the annual bonus for 2010 and subsequent financial years in the form of a conditional share award (‘deferred shares’) that will vest after three years subject to an assessment of safety and environmental sustainability over that period.

The committee believes that this safety and environmental hurdle is appropriate for several reasons. First, high standards in this area are an important priority of BP’s business strategy. Second, maintaining safety and environmental standards over the long term is a good qualitative determinant of the sustainability of the business. Third, this non-financial hurdle will complement the financial and operational performance conditions applicable to performance share awards.

The number of deferred shares will be set by dividing the pre-tax amount of the annual bonus otherwise payable to the executive director by the share price averaged over the three business days following the announcement of results for the previous financial year. To the extent that deferred shares vest, these will be matched by the company on a one-for-one basis. Thus, at the time of granting a specified number of deferred shares, the committee will grant a matching award over the same number of shares (‘matching shares’).

Vesting of the deferred shares (and therefore the one-for-one matching shares) will depend on an assessment of safety and environmental sustainability over the three-year deferral period. If, over the three years, there is a material deterioration in safety and environment metrics, or major incidents revealing underlying weaknesses in safety and environmental management, then the committee may conclude that awards should vest in part, or not at all, and may differentiate between participants if it thinks fit. In reaching its determination, the committee will obtain advice from the safety, ethics and environment assurance committee which regularly monitors these matters and reports to shareholders in the Annual Report and Accounts and Sustainability Report.

Executive directors may voluntarily defer a further one-third of their annual bonus into shares, which will be capable of vesting, and will qualify for matching, on the same basis as compulsory deferrals.

The committee considers that the deferred matching element, including the facility to make further voluntary deferrals on the same terms, is an appropriate means for executive directors to build up a significant long-term shareholding in the company.

Although the committee considers that the safety and environmental hurdle will remain appropriate, the committee may in future impose a different hurdle, which it considers to be no less demanding, on awards under this element.

Where shares vest under this element, participants will receive additional shares representing the value of dividends that would have been paid on those shares during the performance period and reinvested.

Shares that vest under this element will only be released if the company’s minimum shareholding target (explained above) has been met.

If a participant ceases employment before the vesting date, their entitlement to deferred shares will be preserved unless they are dismissed for misconduct (in which case awards will lapse). A leaver’s matching shares will generally lapse on cessation of employment, although they will be preserved where cessation is due to death or ill-health, or where the committee exercises discretion to preserve a leaver’s matching shares. Where awards are preserved, vesting is subject to the assessment of safety and environmental performance over the three-year period. The number of matching shares that vest at the end of the period will be prorated based on service within the performance period.

The performance share element
This element permits the committee to award conditional shares (‘performance shares’) to executive directors, which vest based on performance.

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 exceed a value of 5.5 times salary in the case of the group chief executive, 4.75 times salary in the case of the chief executive of Exploration and Production, and 4 times salary in the case of the other executive directors. These salary multiples are a reduction from previous maximum levels of 7.5 times salary in the case of the group chief executive and 5.5 times salary for the other executive directors, in order to reflect the introduction of the deferred matching element.
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 (relating either to the company or a particular participant), to reduce the number of shares that vest (or to provide that no shares vest).

Where performance shares vest, participants will receive additional shares representing the value of dividends that would have been paid on these shares during the performance period and reinvested.

The conditions attaching to performance shares will be determined by the committee at the time of grant of an award and will relate to the company’s performance (either absolutely, or relative to competitors) 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. Sufficient shares may be sold to discharge tax liabilities in relation to the release of shares.

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 in relation to the performance share element.

The first awards of performance shares under the renewed plan will be made in February 2011. For those awards, and awards in future years, the committee may continue with the performance condition imposed in 2010, or may impose a different condition, which it considers to be no less demanding.

For performance shares awarded under the plan in February 2010, the three-year performance condition relates to BP’s performance against the other oil majors (ExxonMobil, Shell, Total, ChevronTexaco and ConocoPhillips) over a three-year period.

Vesting of performance shares under these awards will be based, as to one-third, on total shareholder return (‘TSR’) versus the comparator group and, as to two-thirds, on a balanced scorecard of underlying performance versus the same competitors. For the first one-third, TSR is calculated by reference to the share price performance of each company over the period, assuming dividends to be reinvested in each 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.

For the second two-thirds, the underlying performance will be assessed on three measures reflecting key priorities in BP’s strategy – in Exploration and Production, hydrocarbon production growth; in Refining and Marketing, improvement in earnings per barrel; and group increase in underlying net income. Both production growth and refining earnings improvement are key strategic objectives for the group. Group increase in underlying net income acts as a holistic measure of success reflecting revenues, costs and complexity as well as safe and reliable operations.

All the above measures will be compared with those of the five other oil majors to determine the overall vesting result. The methodology used will rank each of the five other oil majors on each of the measures. BP’s performance will then be compared on an interpolated basis relative to the performance of the other five. For performance between second and third or first and second, the result will be interpolated based on BP’s performance relative to the company ranked directly above and below it. Performance shares will vest at 100%, 70% and 35% for performance equivalent to first, second and third rank respectively and none for fourth or fifth place. The three underlying measures will be averaged to form the balanced scorecard component.

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 appropriately reflect BP’s underlying business performance relative to the comparator group.

The committee will explain any adjustment in the next directors’ remuneration report following the vesting, in line with its commitment to transparency.

In exceptional recruitment circumstances, the committee may award performance shares that are subject to a requirement of continued service over a specified period, rather than a corporate performance condition.

Generally, if a participant ceases employment before the end of the performance period, their entitlement to performance shares awarded will lapse. However, awards will vest (based on achievement of the performance condition) at the end of the performance period where cessation was due to death or ill-health. The committee may also, at its discretion, preserve awards held by participants who cease employment during the performance period. In those cases, the number of shares that vest at the end of the performance period will be prorated based on service within the performance period. For performance share awards granted in February 2010 and previous years, different leaver provisions applied in that awards held by those leaving due to retirement and redundancy would vest at the end of the performance period (based on achievement of the performance condition and provided that, on cessation, the award had been held for at least 12 months), and would not be subject to time prorating as described above.
The share option element
Share option grants were last made under the plan in 2004. 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 ceased employment prior to the date on which an option became exercisable, the option would normally lapse unless the committee exercised discretion to preserve the option.

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 899 of the Companies Act 2006 (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 performance share or deferred matching elements, 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.

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 from April 2010 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. 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 ADRs. 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 exercised within the period of six weeks following the 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 further renewed, shareholder approval will be sought in 2015.

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).

Benefits under the plan are not pensionable. In the case of US-based directors whose bonuses are pensionable, the pensionable amount will be calculated by reference to bonus prior to an amount being deferred into shares under the deferred matching element.

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 (on the recommendation of the 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.
Appendix 3

Scrip Dividend Programme – Summary Terms and Conditions for Ordinary Shareholders

Below is the summary of the Terms and Conditions of the BP p.l.c. Scrip Dividend Programme (‘Programme’) applicable to ordinary shareholders. The Summary of Terms applicable to ADR holders are set out in the separate summary sent to ADR holders with Notice of BP Annual General Meeting 2010. Participation in the Programme will be subject to and in accordance with the full Terms and Conditions. The full Terms and Conditions, these Summary Terms and Conditions and the separate Summary Terms for ADR holders may be found at www.bp.com/scrip. If you require a hard copy of the full Terms and Conditions or otherwise need help, please contact our Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephone on 0800 701107 or by email at bpmailbox@equiniti.com.

The Programme is subject to shareholder approval, which will be sought at the company’s upcoming annual general meeting on 15 April 2010. Thereafter, this approval must be renewed by shareholders every five years if the directors wish to continue the Programme.

What is the Scrip Dividend Programme?
The Programme enables our ordinary shareholders and ADR holders to elect to receive new fully paid ordinary shares in BP (or ADRs in the case of ADR holders) instead of cash.

The operation of the Programme is subject always to the directors’ decision to make the scrip offer available in respect of any particular dividend. Should the directors decide not to offer the scrip in respect of any particular dividend, cash will automatically be paid instead.

Who can join?
Ordinary shareholders
The Programme is open to all of our ordinary shareholders subject to certain restrictions for overseas shareholders as set out below. The right to elect to join the Programme is not transferable. This summary sets out how ordinary shareholders can participate in the Programme.

ADR holders
Through the depositary JPMorgan Chase Bank, ADR holders can join the Programme on terms and conditions of participation, which differ from those described in this summary. Details of how the Programme will work for ADR holders are provided in the separate Summary of Terms for ADR holders, which has been sent to ADR holders with the Notice of BP Annual General Meeting 2010. It can also be found on our website at www.bp.com/scrip. Any enquiries about the participation of ADR holders in the Programme should be made to JPMorgan Shareowner Services toll-free at +1-877-638-5672.

Overseas shareholders
If you are a shareholder who is resident outside the UK you may treat this as an invitation to elect to join the Programme unless you could not lawfully participate without any further obligation on the part of BP or your participation would not be in compliance with any registration or other legal requirements. Any person resident outside the UK wishing to receive scrip shares is responsible for ensuring that their election can, without any further obligation on BP, be validly made and for observing all formalities and any resale restrictions that may apply to the new shares. If you are not satisfied that this is the case, you may not participate in the Programme or make a Scrip Dividend election.

What is the deadline for joining (or leaving) the Programme for a particular dividend?
The Programme is expected to apply to the first quarter 2010 interim dividend, which is expected to be announced on 27 April 2010 and paid on 21 June. In such case, Scrip Dividend elections for non-CREST participants must be received by our Registrars, Equiniti, and CREST elections input through CREST, before 4.30 p.m. (London time) on 1 June 2010 to apply to this dividend. Elections received or input after this deadline will apply to subsequent dividends only.

Future dividend entitlements, non-CREST participants must ensure that their Scrip Dividend elections are received by Equiniti, and CREST participants must input their instructions through CREST, before 4.30 p.m. (London time) on the election date to be announced by BP, that will not be more than 20 business days before the relevant dividend payment date.

The ex-dividend date, reference share price, election date and all further information in respect of any scrip dividends will be announced and made available on the BP website at www.bp.com/scrip.

If you wish either to participate in the Programme or to terminate your participation, you will need to follow the election instructions set out below, depending on whether you hold paper share certificates or hold your shares electronically through CREST.

How do I join (or leave) the Programme if I hold share certificates (not through CREST)?
To join the Programme, please complete the Scrip Dividend Mandate Form included with the Notice of BP Annual General Meeting 2010 and return it to our Registrars, Equiniti, unless you are already enrolled in the current Dividend Reinvestment Plan – see the question below relating to DRIP participants. Alternatively, please go to www.bp.com/scrip and follow the link to register your election online. You are free to change any previous elections as long as your new election is received by our Registrars, Equiniti, by the deadline above.

Will I have to make separate elections to receive scrip shares for each dividend?
No. Unless and until it is revoked by notice from you to our Registrars, Equiniti, either in writing or via our website at www.bp.com/scrip, your Scrip Dividend election will apply for all future dividends for which a scrip dividend is offered.
How can I cancel my election?
You may cancel your election to receive scrip shares at any time. However, notice of cancellation must be given in writing to our Registrars, Equiniti, or to them via our website at www.bp.com/scrip by the election date to be announced by BP, that will not be more than 20 business days before the relevant dividend payment date, for it to be effective for that dividend. Notice must be received by Equiniti before 4.30 p.m. (London time) on that election date. (See above: ‘What is the deadline for joining (or leaving) the Programme for a particular dividend?’)

How do I join (or leave) the Programme if I hold my shares electronically through CREST?
If you hold your shares in CREST you can elect to receive dividends in the form of new ordinary shares through the CREST Dividend Election Input Message. By doing so you confirm your election to participate in the Programme and your acceptance of the full Terms and Conditions found at www.bp.com/scrip, as may be amended from time to time. Other forms of election, including a paper form of election, may not be accepted.

The Dividend Election Input Message must contain the number of shares relating to your election if it is made by a CREST shareholder, acting on behalf of more than one beneficial holder, and it is to apply to fewer than the number of shares held at the record date. If the number of elected shares is zero then it will be rejected. If the number of elected shares is either (i) greater than the shares held at the relevant record date or (ii) blank, then the election will be applied to the holding as at the relevant record date.

Once an election is made using the CREST Dividend Election Input Message system it cannot be amended. Therefore, if you wish to change your election, you would need to cancel your previous election.

Will I have to make separate elections to receive scrip shares for each dividend?
A CREST shareholder wanting their election to apply to all future dividends for which the Programme is available, needs to complete the evergreen box on the Dividend Election Input Message. If a CREST shareholder, acting on behalf of more than one beneficial holder, enters a number of shares, that number of shares will be used for future dividends, unless revoked, where sufficient shares are held as at the record date or, if insufficient shares are held as at the record date, then the election will apply to the record date balance.

How can I cancel my election?
CREST shareholders can only cancel their election through the CREST system. CREST Messages should not be used to change an election in respect of the Programme that was not made through CREST. A CREST notice of cancellation will take effect on its receipt and will be processed by our Registrars, Equiniti, in respect of all dividends payable after the date of receipt of such notice. A notice of cancellation must be received by the election date to be announced by BP, that will not be more than 20 business days before the relevant dividend payment date, for it to be effective for that dividend. Notice must be received before 4.30 p.m. (London time) on that election date. (See ‘What is the deadline for joining (or leaving) the Programme for a particular dividend?’) Future dividends paid in cash will be paid by cheque to or to any bank account previously mandated for the receipt of dividends.

What if I sell or buy shares?
Your Scrip Dividend election will be deemed to be cancelled in relation to any shares you sell or transfer to another person, but only with effect from the registration of the relevant transfer. If you have bought any additional ordinary shares and they are registered prior to the record date for any dividend to which you are entitled, the additional shares will be covered by your existing Scrip Dividend election. Your election will also terminate immediately on receipt of notice of your death. If a joint shareholder dies, the election will continue in favour of the surviving joint shareholder(s) (unless and until cancelled by the surviving joint shareholder(s)).

How many new shares will I receive?
As dividends are announced in US dollars, the amount of new ordinary shares you are entitled to receive will be calculated on the basis of your total cash dividend entitlement in US dollars, plus any residual entitlement brought forward from a previous scrip dividend or your participation in the DRIP.

As no fraction of a new ordinary share will be issued, any residual cash balance will be retained by the company on your behalf and carried forward (without interest) to be included in the calculation of the next dividend entitlement.

The example set out in the box at the end of this summary shows how the number of new shares will be calculated.

What happens to any residual cash balances if I leave the Programme?
In keeping with common practice followed by other company schemes, any residual balance remaining in your account on cancellation of your election by you or disposal of your entire shareholding will be paid to ShareGift, unless instructed otherwise in writing in advance by you. If you instruct us that you wish to receive your residual cash balance it will be paid to you in GBP at a rate to be determined at the time of payment. ShareGift is an organization that aggregates small shareholdings to sell them and donate the proceeds to a wide range of UK charities. Information relating to ShareGift can be found at www.sharegift.org.

How will I know how many shares I have received?
Once your new shares have been issued, a statement will be sent to you along with your share certificate (where relevant), showing the number of new ordinary shares issued, the reference share price, and the total cash equivalent of the new ordinary shares for tax purposes. If your cash dividend entitlement, together with any residual cash entitlement brought forward, is insufficient to acquire at least one new share, your statement will explain that no new shares have been issued and will show the total amount of cash to be carried forward.

CREST members will have their accounts credited directly with new ordinary shares on the dividend payment date or as soon as practicable thereafter and will receive a statement as above.
Appendices

Notice of BP Annual General Meeting 2010

Are my new scrip shares included in the next scrip dividend?
Yes. All new ordinary shares issued as scrip dividends will automatically increase your shareholding on which the next entitlement to a scrip dividend will be calculated.

I am a participant in the BP Dividend Reinvestment Plan (DRIP) – will I automatically receive scrip shares?
Yes, if you hold paper share certificates. The DRIP will be withdrawn subject to and with effect from shareholder approval of the Programme at the annual general meeting. If you currently participate in the DRIP and hold paper share certificates, you will automatically be treated as having elected to participate in the Programme without signing a Scrip Dividend Mandate Form or electing online. If you currently participate in the DRIP and instead of participating in the Programme you wish to receive your dividends in cash, you need to write to or send a revocation form to our Registrars, Equiniti, at the above address, or notify them online via our website at www.bp.com/scrip by the election date to be announced by BP, that will not be more than 20 business days before the relevant dividend payment date. Notice must be received by 4.30 p.m. (London time) on that election date. Revocation forms can be found attached to DRIP certificates and statements. Revocation instructions cannot be taken over the phone.

No, if you hold shares electronically through CREST. If, as a CREST nominee, you have previously submitted an evergreen CREST Dividend Election Input Message for the DRIP, this will automatically be deleted and should you wish to join the Programme, you will need to submit a CREST Dividend Election Input Message for the Programme.

What happens to my residual entitlements under the DRIP?
As DRIP participants holding paper share certificates are automatically treated as having elected to participate in the Programme, any residual DRIP entitlements standing to your credit at the time of introduction of the Programme will be converted from GBP to US dollars as at the 4 p.m. Bank of England sterling spot rate on 14 April 2010 and will be carried forward (without interest) for inclusion in the calculation of the next dividend entitlement under the Programme. If you hold shares electronically through Crest, or, as a holder of paper certificates you inform our Registrars, Equiniti, that you wish to receive your dividends in cash, any residual DRIP entitlements standing to your credit will be paid to you in GBP.

When will I receive my share certificate?
Subject to the new shares being admitted to the official list of the UK Listing Authority and to trading on the London Stock Exchange, your new share certificate will be posted to you on or about the same date as dividend cheques are posted (or payment is otherwise made) to shareholders who are taking the dividends in cash. The relevant dates will be announced at www.bp.com/scrip. Documents are sent at the shareholder’s risk.

Does the Programme apply to ordinary shares held in joint names?
Yes, but for Scrip Dividend elections made using the Scrip Dividend Mandate Form, all joint shareholders need to sign.

What happens if I have more than one holding?
If your shares are registered in more than one holding, each holding will require a separate election. If you would like to combine your holdings, contact our Registrars, Equiniti.

Can I participate in the Programme in respect of part of my holding?
No, your Scrip Dividend election will only be accepted in relation to the whole of your shareholding. The directors may, at their discretion, allow shareholders to elect in respect of part of their shareholding where they are acting on behalf of more than one beneficial holder.

Can the company change or cancel the Programme?
Yes, the operation of the Programme is always subject to the directors’ decision to make an offer of new ordinary shares in respect of any particular dividend. The directors may also, after such an offer is made, revoke the offer generally at any time prior to the issue of new ordinary shares under the Programme. The Programme may be modified, suspended or terminated at any time at the discretion of the directors without notice to shareholders individually.

In the case of any modification, existing Scrip Dividend elections (unless otherwise specified by the directors) will be deemed to remain valid under the modified arrangements unless and until our Registrars, Equiniti, receive a cancellation from non-CREST participants in writing or via our website www.bp.com/scrip or CREST participants input their instructions to cancel. In the case of termination of the Programme, existing elections will be deemed to have been cancelled as at the date of such termination. If the directors revoke an offer (or otherwise suspend or terminate the Programme), shareholders will receive their dividends in cash on or as soon as possible after the dividend payment date. In keeping with common practice followed by other company schemes, any residual balance remaining in your account will be paid out to ShareGift and not remitted to individual shareholders. Any announcement of any cancellation or modification of the terms of the Programme will be made on the company’s website at www.bp.com/scrip.

What are the tax consequences?
The tax consequences of electing to receive new ordinary shares in place of a cash dividend will depend on your individual circumstances. If you are not sure how you will be affected from a tax perspective, you should consult your solicitor, accountant or other professional adviser before taking any action. The following summary is not exhaustive and is the company’s understanding of the tax position as at 26 February 2010.

UK resident ordinary shareholders should not incur any dealing costs, stamp duty or stamp duty reserve tax in relation to the shares they receive under the Programme.

UK resident individual shareholders

Income tax
An individual shareholder who is a UK resident, and elects to receive new ordinary shares, will have the same liability to income tax as the shareholder would have had on the receipt of a cash dividend of an amount equal to the ‘cash equivalent’ of the new ordinary shares. The ‘cash equivalent’ of the new ordinary shares will be the amount of the cash dividend that the shareholder would have received absent
an election to take new ordinary shares, unless the market value of
the new ordinary shares on the first day of dealings on the London
Stock Exchange differs substantially from the cash dividend forgone
(i.e. differs by 15% or more of such market value) in which case
the market value will be treated as the ‘cash equivalent’ of the new
ordinary shares for taxation purposes.

Where individual shareholders elect to receive new ordinary
shares in place of a cash dividend, they will be treated as having
received gross income of an amount which, when reduced by
income tax at the rate of 10%, is equal to the ‘cash equivalent’ of
the new ordinary shares. Income tax at the rate of 10% is treated as
having been paid on this gross income.

Individuals who currently pay income tax at the basic rate will
have no further liability to income tax in respect of the new ordinary
shares received. Individuals who are subject to income tax at the
rate of 40% will be liable to pay income tax at the dividend upper
rate of 32.5% on the gross income that they are treated as having
received. The 10% income tax deemed to have been paid can be set
off against part of that liability, thereby reducing the liability to 22.5%
of the amount of the gross income treated as having been received
(which is equal to 25% of the ‘cash equivalent’ of the new ordinary
shares). Subject to what is said above in relation to the determination
of the ‘cash equivalent’ of the new ordinary shares, this treatment is
the same as that for cash dividends.

No tax repayment claim may be made on either a
cash dividend or in respect of new ordinary shares taken by
non-taxpaying individuals.

The Finance Act 2009 provides for, with effect from 6 April
2010, a new tax rate expected to be 50% for taxable income above
£150,000 per annum. Dividends (whether paid to shareholders as
cash or as new ordinary shares), which would otherwise be taxable
at the new 50% rate would, however, be subject to income tax at a
new rate of 42.5%. The 10% income tax deemed to have been paid
could be set off against part of that liability, thereby reducing the
liability to 32.5% of the amount of the gross income treated as
having been received (which is equal to approximately 36.11% of
the ‘cash equivalent’ of the new ordinary shares).

Capital gains tax
For capital gains tax purposes, if an election to receive new
ordinary shares instead of a cash dividend is made, such shares
will be treated as a new asset acquired on the date the shares
are issued and the ‘cash equivalent’ of the new ordinary shares
(as described above) will be treated as being the base cost
of the new ordinary shares.

Other shareholders
UK resident trustees, corporates, pension funds and other
shareholders, including overseas shareholders, are referred to
paragraph 18 of the full Scrip Dividend Programme Terms and
Conditions available at www.bp.com/scrip and are advised to
contact their professional advisers in relation to their own tax
circumstances in relation to the Programme.

Example calculation of scrip share entitlement

Number of ordinary shares owned: 1500
Dividend in US$: US$0.14 per share
Residual cash balance from previous dividend entitlement: US$5.40

Step 1: Cash entitlement – As dividends are announced in US
dollars (US$), the amount of cash dividend payable is calculated by
multiplying the number of shares owned by the dividend per share
in US dollars, adding any outstanding residual cash balance that may
be left over from a previous dividend (or the DRIP).

(1500 x US$0.14) + US$5.40 = US$215.40 total cash entitlement

Step 2: Reference share price – To determine how many scrip
shares should be issued to reflect the cash entitlement we need
to determine the ‘reference share price’ for BP shares. This is
an indicative price that represents the current market value
of the company’s shares. We use the average of the closing mid price
(converted into US$) for BP’s ordinary shares on the London Stock
Exchange Daily Official List for the four dealing days commencing
on the ex-dividend date.

Assuming average closing prices over four days converted into
4 = US$9.60 per ordinary share

Step 3: Scrip share entitlement – The number of scrip shares to
be issued is calculated by dividing the cash entitlement (from Step 1)
by the reference share price (from Step 2). However, only whole
numbers of shares can be issued, so this number is rounded down
if required.

US$215.40 ÷ US$9.60 = 22.4375 shares, of which only 22
ordinary scrip shares can be issued

Step 4: Residual cash balance – The share entitlement (from Step 3)
is multiplied by the reference share price (from Step 2). This is then
subtracted from the total cash entitlement (from Step 1) with the
result being the amount of cash entitlement left over. This is the
residual cash balance, which is carried forward and put towards
the calculation of the next dividend entitlement.

residual cash balance

Expected timetable assuming Q1 2010 dividend entitlement

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual general meeting</td>
<td>15 April 2010</td>
</tr>
<tr>
<td>Q1 results and US dollar cash dividend announcement date</td>
<td>27 April 2010</td>
</tr>
<tr>
<td>Ordinary shares quoted ex-dividend</td>
<td>5 May 2010</td>
</tr>
<tr>
<td>Record date for Q1 interim dividend</td>
<td>7 May 2010</td>
</tr>
<tr>
<td>Reference share price announcement date</td>
<td>11 May 2010</td>
</tr>
<tr>
<td>Latest date for receipt of Scrip Dividend Mandate Forms/elections for Q1 interim dividend (election date)</td>
<td>1 June 2010</td>
</tr>
<tr>
<td>Sterling cash dividend announcement date</td>
<td>8 June 2010</td>
</tr>
<tr>
<td>Dividend payment date</td>
<td>21 June 2010</td>
</tr>
<tr>
<td>First date of dealings in the new shares</td>
<td>21 June 2010</td>
</tr>
</tbody>
</table>

First date of dealings in the new shares 21 June 2010

Residual cash balance from previous dividend entitlement: US$5.40

Steps:

1. Cash entitlement = Dividend in US$ x Number of shares owned + Residual cash balance
2. Reference share price = Average closing price in US$
3. Scrip share entitlement = Cash entitlement / Reference share price
4. Residual cash balance = Cash entitlement - (Scrip share entitlement x Reference share price)
Appendix 4

Resolution 25 has been requisitioned by a group of shareholders. The following is a statement in support of the resolution submitted by the requisitionists.

The response of the BP board to this statement is set out on pages 24-25.

Supporting Statement

In December 2007, BP p.l.c. (the ‘Company’) announced a reversal in its oil sands policy by entering into a $5 billion asset swap with Husky Energy whereby the Company will exchange 50% of its Toledo refinery for 50% of Husky’s sunrise project (the ‘Sunrise Project’). Given that the Company disposed of all of its oil sands assets in 1999 believing as Regional President Joseph Bryant said at the time that ‘the growth potential of these properties in Canada could not compete with the potential of some of our other oil operations worldwide’ and as CEO John Browne stated that ‘they are much higher cost (…) it must be a straight judgment about costs and returns’, this reversal was likely motivated by the significantly more bullish market for oil since 2004.

Concerns regarding: (i) the carbon intensity of the Sunrise Project at a time of anticipated regulation and pricing of greenhouse gas (GHG) emissions; (ii) forecasted carbon prices; (iii) the limitations and cost of emissions mitigation; and (iv) local environmental and livelihoods issues, mean that shareholders require assurances regarding the assumptions made by the company in deciding to proceed with the Sunrise Project about: (i) future carbon prices; (ii) oil price volatility; (iii) demand for oil; (iv) anticipated regulation of GHG emissions; and (v) other legal and reputational issues.

Operational Risks

At a time of growing international consensus regarding the need to regulate and price GHG emissions, there is a risk of significant costs arising from the Sunrise Project. It involves a method of oil production that is among the most energy and carbon intensive of any used in the oil industry producing on average three times the GHG emissions of conventional production.4

The International Energy Agency has suggested the price of carbon emissions in industrialised countries will need to be $50 per tonne in 2020 rising to $110 by 2030 adding $5 and $11 respectively to the cost of producing a barrel of average oil sands.5 As the Sunrise Project is likely to be at the high end of the carbon intensity scale among oil sands projects the added cost is likely to be higher than the average.

A recent report raises concerns regarding the effectiveness of Carbon Capture and Storage (CCS) to address the GHG emissions of oil sands operations stating that, ‘the overall reductions from upstream operations could be in the 10% to 30% range at the best process locations by 2020 and the 30% to 50% range industry wide by 2050’.6

The cost of these marginal reductions for SAGD projects is estimated at $200-290 per tonne. This compares unfavourably with estimates for CCS for coal-fired generation at $60 to $150 per tonne.7

There are also potential costs from land reclamation and costs and delays from potential litigation brought by local communities, increasingly affected by pollution, deforestation and wildlife disturbance, claiming breaches of the treaty rights protecting their traditional livelihoods.8

Market Risks

Given its high capital intensity, the profitability of the Sunrise Project depends on sustained high oil prices. Independent studies have cast doubt on the reliability of such market conditions suggesting that high oil prices constrain oil demand through economic contraction and consumer behaviour change.

Cambridge Energy Research Associates suggest that when oil prices rise above $100/bbl GDP is constrained and alternatives gain increasing market share.9 Douglas Westwood analysing recessions since 1973 observed that when oil consumption breaches 4% of US GDP the US enters recession. They calculated that the oil price at which that happens is $80/bbl at 2008 prices.10

Deutsche Bank suggests that over the next five years, increasingly tight supply will push oil prices higher triggering a move to much more efficient oil use through technology switching. This may reach a point at which efficiency gains overtake demand growth and a peak in global oil demand is reached. In their opinion, ‘The value of high capex intensity, long lead time, currently undeveloped oil, such as undeveloped Canadian heavy oil sands, oil shales, and Brazilian pre-salt and other ultra-deepwater plays could be far lower than the market currently expects.’11

Long-term demand forecasts made by the IEA, OPEC and the US government have fallen by some 20% since 2006.12 The IEA’s most recent demand forecast for 2030 has been revised down from 116mb/d in its 2007 report to 105mb/d under its current reference scenario (in which climate change continues unchecked). Its more realistic 450ppm scenario puts 2030 demand at 89mb/d.13

Oil price volatility, resulting from both the economy’s low tolerance to high oil prices and the drive to constrain oil demand to prevent climate change and enhance energy security, threatens the profitability of the Sunrise Project. Shareholders require assurances regarding the assumptions underpinning the Sunrise Project.

2 International Petroleum Finance, 8 November 2004. BP Chief Confident Best Is Yet To Come.
3 Steam Assisted Gravity Drainage (SAGD).
7 Ibid.
8 Alphonse Lameman and the Beaver Lake Cree Nation v Her Majesty the Queen Right of the Province of Alberta and the Attorney General of Canada.
12 See OPEC World Oil Outlook, July 2009, p.74
The board OPPOSES Resolution 25 for the reasons given below:

BP response
The BP board welcomes the opportunity to respond to Resolution 25 which it OPPOSES.

BP’s decision to create the joint venture with Husky and to consider investing in the Sunrise steam assisted gravity drainage (SAGD) project (‘Sunrise’) is aligned to BP’s upstream growth strategy. Development of Canadian oil sands is a competitive source of renewal, leverages BP’s reputation and capability in frontier technology development and creates value by integrating heavy oil and BP’s refining business in North America. This strategy has been supported by the board and is based upon BP’s view of the global energy supply and demand balance over the next 20 or 30 years, the rapid evolution of technology for the exploitation of oil sands and access to additional value creation through integration to BP’s integrated fuel value chain.

The company has clear policies and processes for all its investment decisions. These, together with how the company evaluates risk, have been described in both the Annual Report and Accounts and the Sustainability Review. The same standards are applied to BP and partner-operated investments. These processes are subject to board review, and project delivery performance is subject to regular audit.

All investment proposals are evaluated using a consistent set of economic assumptions, including carbon and oil pricing; are tested against multiple sensitivities, and undergo rigorous assessment of financial and non-financial risk. BP has a group defined practice on environmental matters which requires a thorough review of the environmental issues and opportunities associated with any investment. The goal of this practice is to ensure that BP operates in a manner which is environmentally responsible, reduces waste, emissions and discharges and uses energy efficiently.

Whereas in this case, the investment is in a joint venture and involves the company in a non-operating role, due diligence takes place prior to entering any arrangement. Care is taken to ensure that appropriate policies, standards and practices are adopted.

Given the strategy to build a material oil sands position in the BP portfolio and the well defined and tested processes for investment decisions, your board believes strongly that there is no risk involved.

The company has clear policies and processes for all its investment decisions. These, together with how the company evaluates risk, have been described in both the Annual Report and Accounts and the Sustainability Review. The same standards are applied to BP and partner-operated investments. These processes are subject to board review, and project delivery performance is subject to regular audit.

All investment proposals are evaluated using a consistent set of economic assumptions, including carbon and oil pricing; are tested against multiple sensitivities, and undergo rigorous assessment of financial and non-financial risk. BP has a group defined practice on environmental matters which requires a thorough review of the environmental issues and opportunities associated with any investment. The goal of this practice is to ensure that BP operates in a manner which is environmentally responsible, reduces waste, emissions and discharges and uses energy efficiently.

Whereas in this case, the investment is in a joint venture and involves the company in a non-operating role, due diligence takes place prior to entering any arrangement. Care is taken to ensure that appropriate policies, standards and practices are adopted.

Given the strategy to build a material oil sands position in the BP portfolio and the well defined and tested processes for investment decisions, your board believes strongly that there is no reason to select Sunrise for special review by a board committee. Sunrise is no different to any other BP investment decision. BP recognizes the concerns of shareholders but believes these are being addressed and sets out in further detail below how we are addressing these concerns. The board therefore recommends you vote AGAINST this resolution.

Operational risks
Recovery process
Canada’s oil sands represent a significant, proven and secure source of oil supply for North America. Canada’s oil sands are one of the largest known oil resources, second only to Saudi Arabia, with the potential to sustain substantial production levels for many decades.

Canadian oil sands, including Sunrise, are located in Northern Alberta. 20% of oil sands resources are at depths of less than 200ft and can be produced by mining. The remaining 80% is too deep to be mined and is being recovered using in situ processes.

SAGD is an in situ process where a horizontal producer well is located near the bottom of the reservoir. Steam is injected into a second horizontal well located approximately five metres above and parallel to the producer. The steam heats the bitumen allowing it to flow along the condensed steam to the lower well for production.

Natural gas is the fuel source for the production of steam. Currently, in situ projects account for about 45% of overall oil sands production, with mining accounting for the remainder. In situ SAGD, which will be used at Sunrise, is a process where technological advancement can be readily applied which will drive improvement in the production processes, and offers potential for improvement in efficiency and emissions. BP will not pursue Canadian oil sands mining projects.

Carbon pricing and potential regulation of greenhouse gas (GHG) emissions
BP incorporates an internal cost of carbon, which is materially above the current market price, into the evaluation of new investments irrespective of whether it is required by local regulation. This ensures that the company is aware of the potential impact of carbon price on investment viability, and prepares our business for a time when regulation leads to carbon being priced. It also drives innovation in energy efficiency and emissions reductions, and ensures that no one type of resource development is favoured over another.

GHG emissions
Recent independent studies which measure emissions from production through to consumption found the GHG emissions from oil sands are 5 to 15% higher than the average crude consumed in the United States. The same studies also note that GHG emissions from oil sands can be higher, equal to, or lower than conventional crude oils given that there is a wide range of emissions in both oil sands and conventional crudes. In situ diluent bitumen which is the product of Sunrise is at the low end of the 5 to 15% range.

Greenhouse gas reduction
In the short to medium term, GHG emissions can be reduced through a collection of steps aimed at enhanced energy efficiency:

1. At Sunrise the recovered bitumen will be mixed with a diluent and pumped to the BP refinery. The need for a two-stage process of upgrading and then refining is avoided and will reduce the GHG produced.

2. There are significant energy efficiency opportunities from reservoir management principally through the reduction of the steam oil ratio (SOR) by optimising well placement and the pressure and temperature at which the reservoir operates. Best-in-class SOR has already moved from six in early developments to nearly two today, with further improvement possible through the application of technology. Co-generation to produce steam is being evaluated.

Appendices
Carbon capture and storage (CCS) is a longer-term mitigation opportunity. The economics are currently challenged compared with the measures described above, and there is a lack of required infrastructure. BP is participating in a number of industry initiatives to progress CO₂ capture, transportation and storage. The first phase of Sunrise has been designed to allow future CCS retrofit.

Water
Water plays an important role in the development of in situ projects. For Sunrise, no water from the Athabasca River or its tributaries will be used for operations nor will any process water be discharged into that river. 90% of the water acquired for steam generation will be continuously recycled and the 7-8% required to make up operational losses of the water cycle will be taken from underground non-potable aquifers. The company intends to improve the recycle rate. The project is being designed so that there is no adverse impact on ground or surface water systems. SAGD projects do not involve tailings ponds.

Land
The surface footprint of Sunrise is being carefully managed to minimize impact on the eco system, animal corridors and sensitive areas. Constraints mapping has been completed which has allowed the Sunrise team to propose a development which avoids sensitive areas and mitigates any impact.

The resource will be developed over the next 40-50 years with a total physical footprint of some 5% of the lease area. 17% of this footprint will involve previously disturbed areas. At any given time the actual surface disturbance of Sunrise should not exceed 3% of the lease area. Well sites have been designed for multiple well pairs using horizontal wells to minimize surface disturbance and avoid natural water bodies. Regulation requires a reclamation plan to be put in place prior to project approval. All disturbed lands will be returned to a land capability equivalent or greater to its condition prior to development.

Local communities
Several local aboriginal communities have expressed interest in the project as local stakeholders. These include the Athabasca Chipewyan First Nation, Community of Fort McKay (including the First Nations and Métis Local 63), the Mikisew Cree First Nation and Métis Local 1935.

In 2003 Husky started consultation activities with stakeholders through public open houses and face-to-face meetings with interested parties. This consultation process continues and project information is being shared with stakeholders through further meetings and community-based advisory committees where appropriate, as well as project updates and newsletters.

Bilateral agreements with respect to Sunrise have been put in place between Husky and the three First Nations groups and a memorandum of understanding has been established with Métis Local 1935. These agreements provide a framework for ongoing consultation activities related to the project and outline appropriate mitigation measures and economic development initiatives where applicable. Continued consultation throughout the life of the project is key such that feedback and enquiries can be listened to and open, transparent and respectful lines of communication and mutual understanding can be built.

Husky will be working to facilitate meaningful business and economic benefits for local and aboriginal communities. Husky continues to hold discussions with various groups which represent business interests and aboriginal business owners with Contractor Open Houses, Procurement Workshops and participation in regional business associations being planned.

Market risks
Supply and demand
World energy demand is projected to increase by around 40% between 2007 and 2030 with fossil fuels still satisfying as much as 80% of that demand by the end of that period. A growth in demand for power as developing countries industrialize and an increase in energy consumption for buildings, the service sector and transportation is behind this trend. Meeting this demand will require investment at more than $1 trillion a year for the next 20 years; this is against a background of an incremental improvement to energy efficiency of 1.5% a year.

In satisfying this demand, the competing forces of economic development, energy security and climate change will have to be met. BP is well placed to address these challenges responsibly by applying its experience and established practices and leveraging its technology and capability. No single technology or resource solution can meet these challenges. All available sources of energy will be required.

Meeting the increase in demand for oil and replacing supplies from mature fields will require the industry to find 60 million barrels a day of new production – equivalent to almost double the level of output from the entire Middle East today. Replacing supply and meeting demand is a very material challenge facing the industry with oil sands playing an important role.

Domestic oil production in the United States has declined by 35% since 1985. Oil sands will be a key resource over the coming years to meet US demand and be an important element of the energy security equation in North America.

Oil price volatility
The company recognizes the impact of oil price volatility and so ensures that it undertakes robust testing of its projects and investments against a range of oil price scenarios. As for other BP investments, the Sunrise project has undergone this testing as part of the wider projects approvals process.

9 Ibid.
10 Ibid.
Project decision process
BP has an established investment approvals process which provides a clear framework for decision making. Adherence to this process is mandatory for major projects. It has the following features:

- All projects are required to use a common approach for describing the strategic drivers, the key performance targets and evaluating the non-technical and reputational risks to the project. Economic indicators for the project are described together with information on greenhouse gas emissions.
- Proposals are considered against standard quantitative processes where alternative outcomes are compared. The company’s investment appraisal assumptions provide reference data to model the economic impact of varying oil and gas prices, carbon prices and GDP growth forecasts.
- A range of functions within the company are required to give their assurance on risk and other issues relating to the project including health and safety, security and environmental issues. From an environmental aspect, BP has a group-defined practice on environmental matters which is a detailed specification of the environmental issues which are taken into account in determining whether or not to proceed with a project. The goal of the standard is to ensure that BP operates in an environmentally sound fashion by carrying out business in a manner which is environmentally responsible, reduces waste, emissions and discharges, and uses energy efficiently.

In Sunrise, BP has secured appropriate rights over all substantive business, policy and investment decisions including project approvals, capital and operating spend, work plans, and regulatory applications for agreements with third parties. The operating partners are obligated to deliver high standards of operating, ethical, and environmental performance and are subject to audit.

Conclusion
The development of Canadian oil sands in BP’s portfolio:
- Provides a competitive source of hydrocarbon renewal both in terms of the range of oil prices and the price of carbon at which the project is viable.
- Creates additional value through the integration with the BP refineries in North America.
- Is to be undertaken using the steam assisted gravity drainage in situ process, which has the potential for improvement in efficiency through the application of BP’s technology. BP will not pursue Canadian oil sands mining projects.
- Is to be sanctioned with board oversight using established processes and undertaken in a manner which fulfils BP’s commitment to sustainability by adhering to BP’s environment and social practice for new projects, which includes water management, land use and community relations.
Shareholder notes

The following pages provide more detailed information about your voting rights and how you may exercise them.

Ordinary and preference shareholders

Ordinary shareholders’ and preference shareholders’ right to attend and vote at the AGM

If you are an ordinary shareholder or a preference shareholder you may attend, speak and vote your shares at the AGM if your name is on the Register of Members at 5.30 p.m. on Tuesday, 13 April 2010. Your voting entitlement will depend on the number of shares that you hold at that time. If you are attending the meeting in person, please bring your admission card to avoid delay at Registration.

Members’ right to appoint a proxy

As a member (meaning a registered shareholder), you may appoint a proxy or proxies to attend, speak and vote at the AGM 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 to vote your shares either using the paper copy proxy form or online at www.bp.com/evoting. Our Registrar must receive your proxy appointments and voting instructions by 5.30 p.m. on Tuesday, 13 April 2010. If you are appointing someone other than the chairman of the meeting as your proxy, please ask them to bring your completed admission card or printed confirmation of an appointment made online with them to the meeting to avoid delay at Registration.

If you wish to appoint more than one person as a proxy please contact the BP Registrar, Equiniti, to request additional proxy forms.

Completing proxy cards and poll cards

Proxy forms and poll cards must be signed and any alterations to them must be initialled.

Appointments of and instructions to proxies

The directors have laid down procedures to decide any unclear proxy appointments. Their decision will be final. If more than one proxy is to be appointed to attend the meeting to represent individual interests and vote accordingly, please call the Shareholder Helpline on 0800 701107 or on +44 (0) 121 415 7005 from outside the UK.

Where no instruction to a proxy is given, either generally or in relation to any resolution, or if any other matter comes before the AGM, your proxy may vote at his or her discretion or refrain from voting, as he or she sees fit. 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 must be made in writing and signed by the shareholder. To change your online 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. However, if a postal instruction and an online instruction are received on the same day, the online instruction will be followed. To be certain that changes are accepted, they must be received by our Registrar by 5.30 p.m. on Tuesday, 13 April 2010. The directors have laid down procedures to resolve any uncertainty about 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.

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 instruction given by the first of them listed on our Register of Members will be accepted.

Nominee shareholders

If you hold shares on behalf of others, and some of that holding is to be voted separately, you may do so either by using the hard copy proxy form or online at www.bp.com/evoting.

CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment by using the procedures described in the CREST Manual (www.euroclear.com/CREST). 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 Euroclear’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 Equiniti (ID RA19) by 5.30 p.m. on Tuesday, 13 April 2010. It is 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 a CREST Proxy Instruction as invalid 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, 13 April 2010. Persons voting under a power of attorney must do so by using the paper copy proxy form.
Corporate representatives
Following changes in the law, corporate shareholders may now appoint more than one corporate representative and all of those representatives can attend and speak at the meeting and use their powers to vote in different ways. Corporate representatives no longer need to follow the special procedures for voting employed over the past few years. As always, corporate shareholders may also appoint proxies and vote by using the enclosed proxy form or online at www.bp.com/evoting or through CREST (see page 27).

ADR holders
ADR registered holders
If you hold BP ADRs directly, your name will appear on the register of JPMorgan Chase Bank (the 'Depositary') and you are referred to as a 'registered holder'. Registered holders at the close of business on 1 April 2010 ET will be entitled to attend, speak and vote at the AGM. If you do not plan to attend the meeting, you are entitled to appoint a proxy to attend, speak and vote on your behalf.

If you want the Depositary to vote your shares at the meeting, you may provide your voting instructions to the Depositary via the internet, by telephone or by sending in a completed ADR voting instruction card, as described on that card. Voting instructions must be received by the Depositary by 11.59 p.m. ET on 12 April 2010 for electronic instructions and by noon ET on 13 April 2010 for paper voting forms.

If you wish to appoint someone as your proxy to attend and vote at the meeting, rather than giving voting instructions to the Depositary, please contact the Depositary immediately on +1 877 638 5672 to obtain the appropriate form. Voting instructions must be complete the form with the name of your proxy, sign and return it to the Depositary to be received before noon ET on 13 April 2010. Further instructions will be included with the form. You will also need to give the ADR voting instruction card to your appointee to bring to the AGM, along with proof of his/her identity. Proxies not notified to the Depositary may be denied access to the meeting.

If you wish to attend the AGM and vote in person, the Depositary will be present at ExCeL London to verify your right to attend. Please bring proof of your identity.

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

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

Employee share plan participants
Ordinary share plans
If you hold shares under a BP employee share plan with the BP Share Plan Trustees Ltd, in a Vested Share Account ('VSA') with Computershare Nominees, you are entitled to instruct the Trustee(s)/Nominee(s) to vote on your behalf at the AGM.

If you have previously registered to receive notification of the AGM electronically, an email will be sent to you containing information about how to submit your instruction using Computershare’s e-voting website. If you have not yet registered for e-delivery or have elected to receive hard copies of AGM information, Computershare will contact you by post and will include a paper Form of Direction with which to submit instructions. Alternatively, using the Voting Number advised to you, you will be able to use the e-voting website.

All share plan participants and VSA holders are entitled to attend the AGM. If you attend you can still vote in advance by submitting your instruction as above. Alternatively, you can vote in person at the AGM but to do this you will need to make prior arrangements by contacting Computershare Investor Services PLC no later than Wednesday, 7 April 2010 on +44 (0)870 703 6207. To gain entrance to the AGM you will need to register at the ADR holders desk and provide proof of your identity.

If you require assistance in respect of shares held under a UK employee share plan or in a VSA you should contact Computershare on +44 (0)870 703 6207. If you require assistance regarding shares held under a non-UK plan, please contact your local employee share plan administrator.

ADR plan participants
If you are allocated ADRs under selected BP or subsidiary employee savings plans (a ‘Plan’), you are referred to as a ‘Plan Participant’. Plan Participants are not registered holders of ADRs.

Plan Participants at the close of business on Thursday, 1 April 2010 ET are entitled to attend and speak at the AGM but may not vote at the AGM except as validly appointed proxies for registered holders. If you wish to vote, whether you plan to attend the AGM or not, you must direct the trustee of your Plan how your ADRs should be voted.

You may direct the trustee to vote your shares online, by telephone or by sending in a completed ADR voting instruction card. The trustee will then instruct the Depositary to vote your plan shares in accordance with your instructions. Voting instructions must be received by the Depositary by 11.59 p.m. ET on 11 April 2010 for electronic instructions and by noon ET on 12 April 2010 for paper voting forms. If your directions are not received by the appointed times for transmission to the Plan trustee, the trustee is authorized to vote the ADRs allocable to you under the Plan at its sole direction.
Indirect investors

Following the implementation of the Companies Act 2006, there are a number of rights that may now be available to indirect investors of BP, including the right to be nominated by the registered holder to receive general shareholder communications direct from the company.

The rights of indirect investors who have been nominated to receive communications from the company in accordance with Section 146 of the Act (‘nominated persons’) do not include the right to appoint a proxy. However, nominated persons may have a right under an agreement with the registered shareholder, who holds the shares on their behalf, to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

If you have been so nominated to receive general shareholder communications direct from BP, it is important to remember that your main contact in terms of your investment remains with the registered shareholder or custodian or broker, or whoever administers the investment on your behalf. You should also deal with them in relation to any rights that you may have under agreements with them to be appointed as a proxy and to attend, participate in and vote at the meeting, as described above.

Any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. BP cannot guarantee dealing with matters that are directed to us in error. The only exception to this is where BP is exercising one of its powers under the Act and writes to you directly for a response.
The meeting at ExCeL London

Security
We do not permit behaviour that may interfere with anyone’s security or safety or the good order of the meeting.
You will be asked to pass through our security systems before entering the meeting. Please be advised that we will check everyone’s bag or briefcase.
We do not permit cameras or recording equipment at the meeting and we would be grateful if you could ensure that you have switched off any mobile phones or any other electronic communication devices before the meeting begins. Please note that no food or drink will be allowed into the meeting.
We thank you in advance for your co-operation with our security staff.

Registration
Please remember to bring your admission card with you. If you are an ADR holder coming to the meeting and hold ADRs in a bank or broker account, you should bring a letter of identification from your bank or broker confirming your holding (see page 28 for more information). If you have been appointed as a proxy by a shareholder, please bring along their completed admission card or printed confirmation of an appointment made online. Please note our Registrar must receive any proxy appointments by 5.30 p.m. on Tuesday, 13 April 2010. If you are attending as a corporate representative, you will need to bring your admission card with you and the letter of representation appointing you as corporate representative.

Asking a question at the meeting
During the meeting there will be an opportunity for shareholders, proxies or corporate representatives to ask questions. If you wish to ask a question during the meeting please tell an usher on entry to the auditorium, so that you can be seated near a microphone.

Special needs
We have sign language interpreters at the meeting and a dedicated hearing loop area will be available. If you are in a wheelchair or in need of help from a companion, please let us know at Registration so that we can assist you.

Children
As the AGM is a business meeting, we suggest that it is not appropriate to bring young children. There will be no crèche facilities at the meeting.

Guests
The AGM is a meeting of shareholders and their representatives and it requires an admission card to gain entry to the meeting. However, at the discretion of the company and subject to sufficient seating capacity, a shareholder may enter with one guest, provided that the shareholder and their guest register to enter the meeting at the same time.

Cloakrooms
There will be cloakroom facilities near Registration. We suggest that you leave your coats and bags there before going to Registration. There will be restrooms available.

How business is conducted at the meeting

Discussion
• The chairman will open the meeting, following which there will be a presentation by the group chief executive.
• Discussion will then take place on all the resolutions contained in this Notice of Meeting (see pages 2-3). Shareholders will have the opportunity to ask questions on BP’s performance and business when considering the first resolution on the Annual Report and Accounts.
• Please endeavour to keep your questions short and relevant to the resolution being discussed.
• Please remember that others may have waited for some time to ask a question, so please do not make speeches or ask multiple questions. If you do try to give a speech, the chairman may ask you to stand aside so that other people may be heard.
• You may also write to us at our registered office (see page 32) and we will be pleased to respond. There is a shareholder information desk available for queries on the day.
• It is planned that a number of senior executives will be available after the meeting.

Voting
• Voting on all the resolutions on pages 2-3 is by a poll, as required by the company’s Articles.
• Your vote counts, whether you can come to the meeting or not. In a global company such as ours, we think poll voting is the fairest approach.
• After opening the meeting the chairman will put all the resolutions to the meeting.
• There will be no voting on the resolutions on a show of hands. Shareholders and proxies at the meeting will be invited to participate in the poll.
• In accordance with UK listing requirements, we have included a ‘vote withheld’ column on our poll card. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes ‘for’ and ‘against’ a resolution.

How poll voting works at the meeting
• Shareholders, registered ADR holders and their proxies will be given a poll card at Registration.
• Please indicate your decision by marking the appropriate box next to each resolution.
• Please sign at the bottom of the poll card.

What to do with your poll card
• Poll boxes are open after the resolutions are put to the meeting. You will find the boxes clearly marked and located at the exits from the auditorium and in Registration.
• When you have completed your poll card, please place it in a poll box.
• If you need assistance, our Registrar, Equiniti, will be available to answer questions.
• The poll will close one hour after the meeting ends.

Poll result
• It is expected that the total of the votes cast by shareholders for or against or withheld on each resolution will be published on www.bp.com on Monday, 19 April 2010.
Getting to the AGM

By train
Take the Jubilee line tube to Canning Town and change on to the Docklands Light Railway; alight at Custom House for direct access to ExCeL London. There are lifts on the station platform to the covered walkway to ExCeL London. The nearest mainline station is Liverpool Street; from there, travel to Stratford station in east London where you can take the Jubilee line to Canning Town and change on to the Docklands Light Railway for Custom House.

Special needs
Access to ExCeL London is along low-gradient ramps and walkways. All ramps are fitted with handrails and balustrades. Non-slip flooring is used throughout the building. The lifts have Braille and tactile buttons at a suitable level to be reached by a wheelchair user.
A limited number of car parking spaces suitable for disabled drivers is available; please contact ExCeL London for further information. See page 32 for contact details.

Parking
Underground car parking in the purple and orange car parks is available onsite at ExCeL London and there are signposts and car park attendants to help direct drivers. There is also a multi-storey car park five minutes’ walk from the west entrance to ExCeL London. All car parks accept coins, notes and credit cards.

Address for GPS routing
ExCeL London
Sandstone Lane
Royal Victoria Dock
London E16 1DR

By air
The nearest airport is London City Airport, which is five minutes by taxi and less than 10 minutes by Docklands Light Railway.

ExCeL London contact details
See page 32
Key information and contacts

Documents available for inspection
The following documents are available for inspection during normal business hours at 1 St James’s Square, London SW1Y 4PD, UK, and will be at ExCeL London from 10 a.m. on 15 April 2010 until the conclusion of the AGM:
- Copies of directors’ service contracts with the company.
- A copy of the Current Articles of Association together with a copy of the New Articles of Association to be adopted pursuant to Resolution 18 and a marked up copy of the New Articles showing the changes from the Current Articles.
- The rules of the Executive Directors’ Incentive Plan.
- The terms and conditions of the Scrip Dividend Programme.

BP p.l.c.
1 St James’s Square
London SW1Y 4PD
UK
Tel +44 (0)20 7496 4000

The BP Registrar
Equiniti
Aspect House, Spencer Road
Lancing, West Sussex BN99 6DA
UK
Freephone in UK 0800 701107
or +44 (0)121 415 7005 from outside the UK

If you are an ordinary or preference shareholder, please contact Equiniti if you would like to change your election on how you receive shareholder documents or to receive a paper copy of this year’s publications.

BP Employee Share Plans
Computershare Investor Services PLC
BP Plan Managers
The Pavilions, Bridgwater Road
Bristol BS99 6AP
UK
Tel 0870 703 6207
or +44 (0)870 703 6207 from outside the UK

BP ADR Depositary
JPMorgan Chase Bank, N.A.
PO Box 64504
St Paul, MN 55164-0504
US
Tel +1 651 306 4383
Toll-free in US and Canada +1 877 638 5672
Hearing impaired +1 651 453 2133

If you are a registered ADR holder, please contact JPMorgan if you would like to change your election on how you receive shareholder documents or to receive a paper copy of this year’s publications.

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