Directors' remuneration report

Chair's letter

"The committee wishes to place on record our gratitude for all that bp's people achieved last year, and our acknowledgment of the challenging environment they faced. We look forward to better days ahead."

Paula Rosput Reynolds
Committee chair

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Dear shareholder,

Last year was enormously challenging – for the world and for bp. Yet the bp team operated safely and reliably, ran the business as well as could possibly be expected, and launched a strategic transformation of the company.

That bp achieved so much last year is a credit to everyone in the company – from the leadership to the front lines. Together, they delivered the energy the world needs, and positioned the company for the future.

Nevertheless, as COVID-19 took its toll around the globe, there were consequences for bp's financial outcomes in 2020. The remuneration committee always seeks to align employee reward with shareholder experience. Thus, despite extraordinary efforts on the part of the organization, we decided that there should be no 2020 pay-out for all those who normally participate in our broadly-applicable annual bonus plan.

We know that this decision was painful for bp's people, many of whom count on earning a cash bonus as part of their personal and family financial planning. While words cannot substitute for remuneration not received, the committee wishes to place on record our gratitude for all that bp people achieved amidst the environment they faced. We look forward to better days ahead.

Shareholder engagement

Throughout this challenging period when we had many decisions to make regarding metrics and reward, the committee has benefited from engagement with our shareholders. The remuneration policy under which we now operate was directly shaped by a meeting we held with bp's top 25 shareholders and other proxy representatives in 2019. We appreciated shareholders' overwhelming support (96.58% approval) of the new policy at our AGM last May. Throughout 2020, we have continued to meet (virtually) with our largest shareholders to discuss a range of performance and incentive topics in detail. We are grateful for your counsel and hope you will see your advice reflected in the decisions which we have reached. We ask for your support of this directors' remuneration report, and the decisions described herein, at the forthcoming annual general meeting.

In this report, the committee continues its practice of scrutinizing both one- and three-year performance. Even in the absence of paying annual bonuses for 2020, we have included some discussion on results to give a balanced view of what worked well and what disappointed. This report covers our decisions for 2020 and the details regarding our implementation of the 2020 remuneration policy for 2021 and beyond. The highlights are provided immediately below.

Key remuneration outcomes for 2020

No pay-out under our 2020 annual bonus plan.

- There was no pay-out under the annual bonus plan for any of the participating employees

Lower vesting for the 2018-2020 equity plan.

- The vesting outcome for our 2018-20 performance shares cycle is 32.5% of maximum, down from 71.2% in the previous cycle, and from an average of over 66% over the last six cycles. It is worth noting that the committee made no alterations to the performance measures or targets on which these awards were based, nor any discretionary adjustment to the vesting outcome. This vesting outcome applies equally to our former executive directors, and to our new CEO and CFO in respect to their pre-appointment performance share awards.

Key remuneration decisions for 2021 and beyond

- To recognize the efforts of the wider workforce, virtually all employees will receive an above-market pay increase in 2021. Large numbers of our employees received no pay adjustment in 2020 or had their increase deferred for six months. Given the large reduction in headcount and all the responsibility this action places on those who remain, we agreed with management's plan to increase salaries across-the-board, and ahead of market. Any time salaries rise, the cost of other remuneration that hinges off salary rises as well. At the same time, we are obligated to monitor disparate impacts and overall welfare of the workforce. We will, therefore, continue to monitor and balance the costs of the programme with wider workforce pay issues.
- We considered the approach to salary for our executive directors apart from the wider workforce. We embrace restraint as a guiding principle, but restraint must be balanced with fair reward for contribution. The board has been gratified by the immediacy of Bernard Looney's impact in leading the organisation, and in refreshing bp's purpose, strategy and organisation. We propose to recognize his efforts with an increase of 2.75% salary with effect from the annual general meeting. This increase is significantly lower than the increase that our UK professional workforce will receive on their pay review date in 2021.
- Murray Auchincloss has likewise made an immediate impact since his appointment. He fully assumed the challenges of the CFO role and has forged a strong partnership alongside Bernard. We set his initial salary in 2020 at a level below comparable rates for finance directors in the FTSE 30, until we could be certain of the contribution he would bring to the role. Shareholders will recall our policy is to keep executive increases within the boundary of wider workforce increases, except in specific circumstances. We find that Murray is already contributing beyond our expectations of even a seasoned CFO. Given his criticality to the execution of our strategy, we conclude that adjusting his below-market salary is such a specific circumstance. We therefore intend to increase his salary by 8% to £750,500, following the annual general meeting, placing him in line with the median rate for FTSE 30 CFOs. It is our intention, subject to the committee's view of Murray's continued development and success in role, to bring his salary in line with that of his predecessor and other CFOs in similarly challenging roles. We anticipate that this may require increases somewhat above the wider workforce average in the future.
- In 2021 we have made an all-employee share award to allow employees to participate in the success that a reinvented bp can deliver. The majority of employees will receive restricted shares vesting in 2025, while more senior employees will receive share options to be exercised from 2025 onward and with a ten-year term.
- We are bringing our metrics and targets for both the 2021 annual bonus and the 2021-23 performance share into line with bp's new strategy and the refreshed commitments to financial performance. The changes are described in detail in this report and we hope you will see how closely we have sought to align these targets to the commitments that management have articulated to investors.
- The 2021-23 awards will be in line with approved policy and the grant size is unchanged from prior years. All share awards will be granted after the annual meeting and pricing will be based on the preceding 90 days.

Overview of financial performance, operating achievements, and strategic progress

Our 2020 annual bonus plan consisted of measures associated with financial performance and operations. Our long-term share plan consisted of financial measures and strategic progress. Each area of performance is summarized below to provide a sense of how we evaluated overall performance.

Financial performance for bonus purposes was measured in terms of underlying replacement cost profit and free cash flow. For performance shares, we measured return on average capital employed (ROACE) and relative total shareholder return (rTSR). In neither the short nor the long-term plan did actual financial performance meet targets.

Over the three-year performance period, however, bp ranked third out of the five super-majors for rTSR purposes which accounted for a modest 12.5% vesting of the 2018-20 performance share grant. To offer some perspective, we note that during 2020 the company reduced net debt by $6.5 billion to $39 billion. In announcing the sale of a share of bp's interest in Oman's Block 61, we continue making good progress towards the 2025 target of $25 billion of proceeds from divestments. Importantly, too, management initiated the review of bp's portfolio of assets in 2020 and recommended significant impairments and exploration write-offs. Thus, management took the necessary steps to address the value of our assets given the energy transition, in full knowledge that they would forego near-term benefit because of these actions. We think this reflects well on the system of reward – not paying when performance is below expectations – but also on the integrity of the leadership which is nonetheless doing the right thing to create a sustainable future.

Despite the challenges of the pandemic, operations were strong in 2020, with refining availability of 96%, upstream plant reliability of 94%, and delivery of four new major projects. Safety trends were also positive, with process safety events, recordable injury frequency, and other key safety and environmental metrics significantly lower than in 2019. While workforce hours were down, bp people safely managed increased COVID-19-related risks and travel restrictions, and increased quarantine periods associated with cross-border crew rotations, while ensuring safety critical staffing and emergency response preparedness. bp teams also delivered above-target sustainable emissions reductions in 2020.

Strategic progress is the other area we assessed; in the 2018-20 performance share plan it carried a 20% weight.

As we consulted with shareholders, we can appreciate that the inclusion of 'strategic progress' in a scorecard can be a double-edged sword. On the one side, measuring strategic progress more specifically aligns our strategy and the reward we will confer. On the other side, strategic progress does not always carry with it straightforward metrics that are more typically used in remuneration designs. Thus the committee must use its judgement and explain its rationale. We do so here on page 111. We hope you will agree that we've been thoughtful in evaluating the organization's strategic performance over the 2018-20 period.

Other decisions and forward-looking activity

In our approved 2020 remuneration policy, we retained flexibility to adjust performance measures and weightings in both our annual bonus and performance share plans. Given the shift in the business mix and the exigencies of our financial frame, for the 2021 annual bonus, we are introducing two new financial measures: cumulative cash cost reductions (weighted at 25%); and an operational measure to reflect margin share from convenience retail and electrification (weighted at 10%). These changes represent the committee's best judgment for fine-tuning measures to the new strategy. While we are adding two new measures, we will continue to measure annual performance of our operations, of cash generation, of sustainable emissions reductions and of safety.

For the 2021-23 performance share awards, we will introduce an earnings per share growth (EBIDA CAGR) measure alongside the existing ROACE measure (each weighted at 20%), and will reduce the weighting on rTSR (from 40% to 20%). Many of you will recall that the relevance of rTSR and the selection of an appropriate peer group were widely, but inconclusively discussed, during our September 2019 stakeholder engagement session. Against that backdrop, our judgment is that if the bp team can achieve the multi-year financial results to which it committed in July 2020, then the team should be rewarded, with only a modest calibration to what other energy companies accomplish over these three years.

Remuneration committee

Role of the committee

The role of the committee is to determine and recommend to the board the remuneration policy and to set chair, executive director and leadership team remuneration. It reviews workforce remuneration and monitors related policies, satisfying itself that incentives and rewards are aligned with bp's culture. In determining the policy, the committee takes into account various factors, including workforce remuneration, and structures the policy to promote the long-term success of the company and linking reward to performance.

Key responsibilities

- Recommend to the board the remuneration principles and policies for the executive directors while considering remuneration and related policies for employees below the board and the executive team.
- Set and approve the terms of engagement, remuneration, benefits and termination of employment for the executive directors, leadership team and the company secretary in accordance with the policy.
- Prepare the annual remuneration report to shareholders to show how the policy has been implemented.
- Approve the principles of any equity plan that requires shareholder approval.
- Ensure termination terms and payments to executive directors and leadership team are fair.
- Receive and consider regular updates on workforce views and engagement initiatives related to remuneration, insight from data sources on pay ratio, gender pay gap and other workforce remuneration outcomes as appropriate.
- Maintain appropriate dialogue with shareholders on remuneration matters.

Membership

Paula Rosput Reynolds	Member since September 2017 and chair since May 2018
Nils Andersen	Member (resigned March 2020)
Pamela Daley	Member
Sir Ian Davis	Member (resigned 30 December 2020)
Melody Meyer	Member since March 2020
Brendan Nelson	Member

Meetings and attendance

The chairman and the CEO attend meetings of the committee except for matters relating to their own remuneration. The CEO is consulted on the remuneration of the CFO, the leadership team and more broadly on remuneration across the wider employee population. Both the CEO and CFO are consulted on matters relating to the group's performance.

bp's EVP people and culture, SVP reward and wellbeing and advisors attend meetings and other executives may attend where necessary. The committee consults other board committees on the group's performance and on issues relating to the exercise of judgement or discretion as necessary.

The committee met nine times during the year. All directors attended each meeting that they were eligible to attend, except Sir Ian Davis who was not able to attend two meetings, and Pamela Daley and Brendan Nelson who each missed one committee meeting.

Also noteworthy for the 2021-23 performance share awards, we are recasting the strategic progress measures to three well-defined areas: (1) delivering value through a resilient and focused hydrocarbon business; (2) building scale and value through investments in lower carbon electricity and energy sources; and (3) accelerating growth in convenience and mobility. Strategic progress metrics will be weighted at 40%. Several shareholders have asked us to be more specific about which measures from the September 2020 presentations we intend to use in evaluating strategic progress, and I say more on this at page 109 in the alignment to strategy section.

The leadership team has been bold in seeking to transform bp and has shown exemplary cooperation in developing these challenging performance measures.

Wider workforce and activities through the pandemic

Much of the committee's time this year was dominated by the pandemic, which had a serious impact on workforce and remuneration matters.

With our plans to reinvent bp already proceeding when the pandemic hit, bp's leadership committed that no redundancies would take place for a minimum of three months to allay immediate concerns about job security. Also, bp sought no pandemic relief in the form of grants or furlough funding from any governments anywhere in the world.

Despite the limited ability to meet in person, the committee and the board engaged with employees virtually throughout the year. Despite the fact that 2020 was a year with many discouraging moments, we find that the employees are highly engaged – and willing to speak their minds – which bodes well for the future.

From the outset of the pandemic's impact, mental health as well as physical well-being were of concern. Both Bernard and our chair Helge Lund donated 20% of their salaries to charities dealing with mental health issues from April 2020. In addition, Bernard directed the company to make a substantial donation to the UK mental health charity, Mind. This generosity is consistent with the leadership's support for mental health within the company, and given the duration and far-reaching effects of the pandemic, was exceptionally far-sighted.

Closing thanks

Following their retirement from the board, I thank Nils Andersen and Sir Ian Davis for their many contributions to this committee, while welcoming Melody Meyer and, most recently, Tushar Morzaria.

At the annual general meeting, Brendan Nelson plans to stand down and his particular brand of sober judgement will be greatly missed by the committee.

The technology we have all deployed in the last year has only served to enhance our consultation with shareholders and their advisors. These virtual face-to-face contacts from our respective homes have allowed for frequent conversations. We thank you for fitting us into your long days, and as you review the details provided in this report, we welcome your comments.

Paula Rosput Reynolds
Chair of the remuneration committee
22 March 2021

In this directors' remuneration report RC profit (loss), underlying RC profit, return on average capital employed, operating cash flow excluding Gulf of Mexico oil spill payments, margin share for convenience and electrification, net debt and cumulative cash cost reductions are non-GAAP measures. These measures, together with upstream plant reliability and refining availability, are defined in the Glossary on page 341.

Remuneration at a glance

	Purpose and key features	Outcomes for 2020	Implementation in 2021
Salary and benefits	- Fixed remuneration reflecting the scale and complexity of our business, enabling us to attract and keep the highest calibre global talent. - Reviewed annually and, if appropriate, increased following the AGM. - Benchmarked to market at inception with increases limited to those of our wider workforce, except in specific circumstances.	- Bernard Looney's salary set at £1,300,000 on appointment. - Murray Auchincloss's salary set at £695,000 on appointment. - Bob Dudley's salary unchanged at $1,854,000 until cessation. - Brian Gilvary's salary unchanged at £790,500 until cessation. - Benefits were unchanged.	- Bernard's salary to increase by 2.75% to £1,335,750 from the AGM. - Murray's salary to increase by 8% to £750,500 from the AGM. - Benefits to remain unchanged.
Retirement benefits	- To recognize competitive practice in home country. - Bernard is a deferred member of a UK final salary pension plan, but now receives a cash allowance in lieu of retirement benefits. - Murray is a deferred member of a US final salary pension plan, but now receives a cash allowance in lieu of retirement benefits. - Bob was a member of both a US final salary pension plan and a US retirement savings plan. - Brian was a member of a UK final salary pension plan and received a cash allowance in lieu of further service accrual.	- Bernard has no further service accrual for his deferred pension, and the pension calculation will be based on his pre-appointment salary. His cash allowance is fixed at 15% of salary. - Murray has no further service accrual for his deferred pension arrangement, and the pension calculation will be based on his pre-appointment salary. His cash allowance is fixed at 15% of salary. - Bob's defined benefit pension did not increase in 2020. bp actual and notional retirement savings plan contributions of $32,445 were more than offset by investment losses within his plans, hence he received no net benefit in 2020. - Brian's defined benefit pension increase was below inflation. His cash allowance was 30% of salary to 30 May, and 25% of salary from 1 June 2020.	- Bernard's cash allowance will be unchanged at 15% of salary, and he accrues no further value under his deferred pension. - Murray's cash allowance will be unchanged at 15% of salary, and he accrues no further value under his US deferred pension.
Annual bonus	- To incentivize delivery of our annual and strategic goals. - 112.5% of salary at target, and 225% at maximum. - To reinforce the long-term nature of our business and the importance of sustainability, 50% of the bonus is paid in cash and 50% is mandatorily deferred and held in bp shares for three years.	- No bonus for 2020.	- For our 2021 bonus, our scorecard will be reweighted to safety (15%), environment (15%), operational (20%) and financial (50%), as described on page 125.
Performance shares	- To align reward to our strategy and long-term performance. Vesting outcomes vary relative to our financial returns and strategic priorities. - Annual grant of performance shares, representing the maximum outcome. 500% of salary for the chief executive officer and 450% of salary for chief financial officer.	- Awards granted in 2018 (under our 2017 policy) were assessed against our balanced scorecard of financial (80%) and strategic progress (20%) measures. Our 2018-20 performance share outcome is 32.5% of maximum vesting.	- Awards granted in 2019 (under our 2017 policy) will vest in proportion to success against the measures of our 2019-21 scorecard. - For the 2021-23 cycle (under our 2020 policy), grant levels will remain unchanged at 500% for Bernard and 450% for Murray, with weightings of 20% each for rTSR, ROACE and EBIDA CAGR, and 40% for strategic measures, as shown on page 125.
Shareholding requirement	- To ensure sustained alignment between shareholder and executive director interests. - The chief executive officer and other executive directors are required to maintain shareholdings equivalent to 500% and 450% of salary respectively, including for two years post employment (2020 policy).	- Both former executive directors materially exceed their post-employment share ownership requirements of two and a half times salary (pre-dating the 2020 policy). - Bernard and Murray have not yet achieved their minimum shareholding requirement (they must do so within five years of appointment).	- The minimum shareholding requirements remain unchanged.

Alignment with strategy

The frame for our remuneration policy and practice

Last year we refreshed our remuneration policy following wide consultation, individually and collectively, with shareholders. Through that consultation we decided to retain the strongly performance-oriented reward model that served us well in the previous decade. Thus, we retained and built upon the established policy structure, with the advantage this brings of being well-understood and accepted by our executives and wider workforce alike.

By design, this refreshed policy allows for ongoing alignment to the nearer-term needs of our strategy, with measures intended to evolve in line with the pace and form of the energy transition. This design reflected the four broad themes that emerged from our engagement with shareholders:

- A clear end-to-end alignment from strategy, through measurable performance indicators and reward outcomes, to shareholder experience.
- To balance our contribution to the energy transition with delivering shareholder returns, with encouragement to use appropriate discretion given the complexity of the environment in the energy transition.
- To ensure strategic measures align to long-term sustainability, relative to a wide peer group.
- To use meaningful and transparent performance indicators reflecting our progress in the energy transition and reductions to our carbon impact.

bp's purpose, ambition and strategy

bp's purpose, to reimagine energy for people and our planet, is complemented with a clear and unambiguous ambition – to be a net zero company by 2050 or sooner and to help the world get to net zero. Our strategy is transformational, to pivot from International Oil Company to Integrated Energy Company, from a focus on developing resources, to a focus on delivering solutions for customers. As seen below, this strategy is grounded in three focus areas and three sources of differentiation, set within a sustainability frame linking our strategy to our purpose.

Connecting remuneration to strategy

Alignment with strategy is evident in:

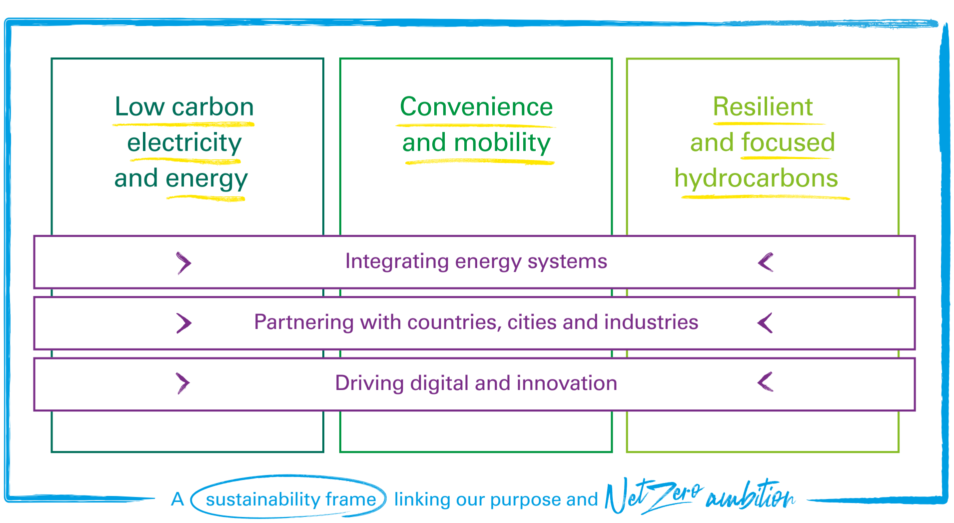
- Clearly measurable safety, sustainability, strategic and financial measures for each cycle of annual bonus and/or performance shares.
- The judgements we make to assess qualitative progress against strategic objectives.
- Our 'underpin' assessment to take safety outcomes into account prior to determining the final performance shares vesting percentage.
- Our overarching discretionary decisions to ensure share plan outcomes reflect shareholder experience, environmental, societal, and other inputs.

Achieving balance between safety, sustainability, strategic and financial measures is an essential consideration for the committee in applying policy. Considering the three 'focus areas' of bp's strategy, generating cash from our resilient and focused hydrocarbons business is the critical element to support bp's transition into the two growth areas – low carbon electricity and energy, and convenience and mobility. We expect bp to be directing 40% or more of its investment into these areas by 2030, but that reallocation of spend will be a gradual and non-linear matter, requiring flexibility and judgement from leadership. Our commitment is to oversee this transition with care, applying remuneration policy to incentivize results in the most critical areas.

In our most recent consideration we have therefore aligned the strategic performance measures of our 2021-23 performance share awards entirely to the three 'focus areas' of bp strategy: low carbon electricity and energy; convenience and mobility; and resilient and focused hydrocarbons. This means that, for now, we are consciously not introducing measures related to the three 'sources of differentiation', in the belief that we need to limit the total number of measures and highlight those which are the most pressing.

This has also led us to review our decision-making from last September when we set strategic measures for the 2020-22 performance share awards. At that time, we had chosen four strategic elements – two of the focus areas, and two of the sources of differentiation. With the hindsight of our more recent discussions and a deeper understanding of how the strategy is likely to yield most value, we realise those earlier decisions were not the best. Therefore, we are taking the unusual step of amending our 2020-22 strategic progress measures mid-cycle, to align them instead with the measures of our 2021-23 cycle. Thus we bring focus to the most critical areas, align the measures for the first two cycles of share award under our 2020 policy, and can develop a common set of performance metrics that will allow us to transparently report progress across all three cycles of award under the 2020 policy (ie. those starting in 2020, 2021 and 2022).

The table on page 109 summarizes the alignment between performance measures and strategy, showing the weightings associated with each.



Aligning performance measures and strategy

	2020 annual bonus	**2021 annual bonus**	2020-22 performance shares	**2021-23 performance shares**
Safety, our core value	20%	**15%**	Underpin	**Underpin**
Low carbon	–	**–**	} 30%	} **40%**
Convenience and mobility	–	**10%**		
Resilient hydrocarbons	10%	**10%**		
Integrating energy	–	–	–	**–**
Partnering	–	–	–	**–**
Digital	–		–	**–**
Sustainability	20%	**15%**	–	**–**
Financial frame	25% cash flow 25% profit	**25% cash flow** **25% cumulative cash cost reduction**	40% rTSR 30% ROACE	**20% rTSR** **20% ROACE** **20% EBIDA CAGR**

Looking forward, strategic progress for the 2020-22 and 2021-23 performance shares will be a largely qualitative assessment by the committee, supported by key performance indicators that will enable us to add a quantitative overlay in our assessments and to allow reporting on progress through the concurrent cycles of each award. These indicators are as follows:

Resilient and focused hydrocarbons

- **Production costs per barrel:** track improvement in unit production cost per barrel to help deliver margin efficiency.
- **Plant reliability:** measure the reliability of upstream production assets as an indicator of operational efficiency.
- **Refining availability:** measure the availability of downstream refining assets, also as an indicator of operational efficiency.

Demonstrate track record, scale and value in low carbon electricity and energy

- **Gigawatts of developed renewables energy:** confirm the growth and value added from new renewable energy projects.
- **Clear decisions on other energy platforms:** demonstrate strategic progress in the selection of energy platforms for future growth.
- **Renewables pipeline:** build a renewable pipeline in alignment with 2025 and 2030 goals while consistent with targeted returns.

Accelerate growth in convenience and mobility

- ***Castrol* performance:** demonstrate growth momentum in *Castrol*.
- **Strategic convenience sites:** confirm the number of strategic convenience sites.
- **Margin share from convenience and electrification:** demonstrate the capture of growth from the energy transition through the retail network via measuring the ratio of convenience and electrification gross margin to total consumer energy (retail fuels and electrification) and convenience gross margin.

2020 performance and pay outcomes

Business performance

An exceptional year of challenge and internal reinvention

Key strategic highlights

- Completed the Southern Gas Corridor pipeline system, with the Trans Adriatic pipeline beginning gas deliveries.
- Agreed to sell our petrochemicals business to INEOS.
- Added ~300 strategic convenience sites across our retail network, bringing the total to 1,900.

3rd
Among peers for total shareholder return 2018-20

$13.8bn
Operating cash flow excluding Gulf of Mexico oil spill payments

$6.4bn
Total dividends paid to shareholders

Performance outcomes

Robust safety and operating outcomes, but plan unaffordable.

2020 annual bonus

No bonus
Formulaic outcome (% of maximum)

n/a
Committee judgement

n/a
Final outcome (% of maximum)

Strong strategic progress, weak financials.

2018-20 performance shares

32.5%
Formulaic outcome (% of maximum)

0%
Committee judgement, no adjustment

32.5%
Final outcome (% of maximum)

KPI

This legend denotes remuneration measures that directly relate to bp's key performance indicators. See page 39.

Performance dimensions (% weighting)

Safety (20%)	No bonus for 2020
Environment (20%)	
Operational (10%)	
Financial (50%)	

Performance dimensions (% weighting)

Financial (80%)	KPI	12.5/80
Strategic progress (20%)	KPI	20/20

Annual bonus outcome (% of maximum)

Bernard Looney	Nil
Murray Auchincloss	Nil
Bob Dudley	Nil
Brian Gilvary	Nil

Performance shares outcome (32.5% of maximum)

Bernard Looney	£0.35m
Murray Auchincloss	£0.22m
Bob Dudley	$1.57m
Brian Gilvary	£0.62m

Total remuneration 2020

See page 113 for detail.

Bernard Looney
CEO from 5 February 2020

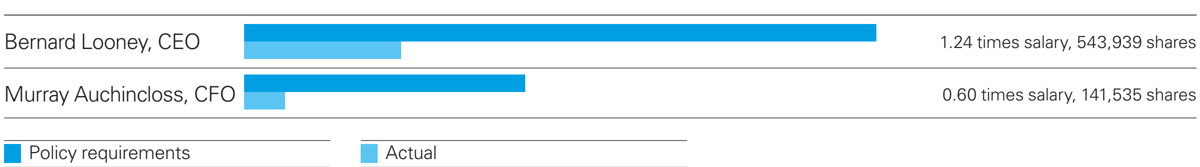
Murray Auchincloss
CFO from 1 July 2020

Bob Dudley
CEO to 4 February 2020

Brian Gilvary
CFO to 30 June 2020

Share ownership

Shareholding is a key means by which the interests of executive directors are aligned with those of shareholders. The CEO and CFO shareholdings are shown below, as at 2 March 2021. Both these new executive directors are building towards the policy requirement, which is mandatory within five years of appointment.



2018-20 performance share plan outcome

Vesting under our performance share plans is assessed using the group performance scorecard shown on page 112, and subject to any discretionary adjustment by the committee. Bernard and Murray were granted 2018-20 performance share awards under the Group Share Value Plan (GSVP) for bp group leaders, rather than under the Executive Director Incentive Plan (EDIP). The GSVP and EDIP both use the same scorecard, therefore the comments in this section apply equally to our former and new executive directors, as well as our group leaders, even though they relate to performance shares awarded under different plans.

The financial outcomes for the three-year period were disappointing. Return on average capital employed averaged 2.6% over 2019 and 2020 (the ROACE measurement period for this cycle), below our threshold level for vesting on this measure. Total shareholder returns turned negative for bp, alongside all our constituent peer companies. bp placed third among our competitor group, however, which yielded formulaic vesting of 12.5% (of a potential 50%). To counter the impact of share price volatility in TSR measures, bp has continued its standard practice of averaging US market prices over the fourth quarter immediately before, and at the end of, the three-year performance cycle. Peers in our competitor group may use different pricing methods, leading them to report different ranking outcomes from bp.

As reported last year, we introduced four strategic progress measures in our 2017 policy, and this is now the second cycle for which we have made an assessment on strategic progress. These were the measures that then positioned bp for the future, and the committee found that in all four strategic areas the business has delivered fully against intended outcomes. Thus vesting on this element of the scorecard is determined to be 20%. The key factors that formed our scoring decision were:

Growing gas and advantaged oil in the upstream. Gas production grew from 1.11mmboed in 2017 to 1.15mmboed by 2020, with eight major gas projects started up in the period. In the same period bp started up seven major oil projects and have a further eight major oil projects under construction. We purchased BHP tight oil assets, accessing some of the best basins onshore in the US.

Market-led growth in the downstream. We have continued strategic progress with our convenience partnership model now in around 1,900 sites across the network, with 800 opened since 2017. The growth has been driven by the roll-out of REWE to Go in Germany, our Thorntons business in North America, and new partnerships launched in South Africa, Australia, New Zealand and Portugal. Retail store gross margin has grown 6% per annum since 2017 to over $1bn and is showing resilience despite COVID-19. In growth markets, we doubled our retail sites to 2,700 in 2020, expanded our network to over 500 bp-branded retail sites★ in Mexico, and opened over 1,400 sites in India with our Reliance joint venture. In our sustainable aviation fuel business, we added 13 new locations to Air bp's supply network and have struck an innovative collaboration with Neste for supply of sustainable aviation fuel. We have made a further $40 million investment in Fulcrum since 2017.

Venturing and low carbon across multiple fronts. Lightsource bp now has a presence in 14 countries, up from five in 2018. We have created a differentiated strategy in electric vehicle charging through bp pulse and Storedot, which has demonstrated five-minute charging capability. Our focus on reducing emissions has progressed well, with a reduction from 48.8Mte in 2018 to 41.7Mte in 2020, aligning with our net zero ambition. Our 2020 methane intensity is estimated at 0.12%, well below our target of 0.2%

Gas power and renewables trading and marketing growth. We remain the largest US gas and power marketing company. In 2018 and 2019 we added six advanced liquified natural gas (LNG) tankers to the bp-operated fleet; our Tangguh LNG expansion started drilling in 2019; and Train 2 of our Freeport LNG began commercial operations in 2020, with first gas deliveries from bp under our 20-year tolling agreement.

Along with the combination of financial and strategic measures, the committee considers an 'underpin' decision before deciding on the final result, taking a broader view to ensure that the reward outcome aligns with absolute shareholder returns, safety and environmental factors, and low carbon and climate change considerations. The committee has been mindful of the need to take an even broader perspective, and thus consider executive outcomes in relation to societal matters in general and our wider workforce in particular. While absolute returns disappoint, we find that all aspects of the underpin support at least 32.5% vesting, which from a participant's perspective reflects a poor return for the efforts expended. Therefore, our overall judgement is to leave the vesting outcome unadjusted.

As mentioned above, this scorecard outcome applies to all participants in both the EDIP (for executive directors) and the GSVP (for group leaders).

With time pro-ration for Bob and Brian to reflect their periods of service during the three-year performance period, this vesting delivers the outcomes detailed below. For Bernard and Murray these values are included in the single figure table on page 113, whereas for Bob and Brian they are reported in the payments for past directors section at page 122.

2018-20 performance share plan outcomes (audited)

	Shares awarded	Shares vesting including dividends	Value of vested shares, Feb/ Mar 2021	Impact of share price change[a]
Bernard Looney	158,690[b]	126,134	£350,652	-£228,991
Murray Auchincloss[c]	77,958[b]	62,124	$275,934	-$111,497
Bob Dudley[c]	1,395,600	410,922	$1,566,298	-$962,923
Brian Gilvary	696,705	227,337	£618,357	-£430,217

a These values reflect the impact of the reduction in share price since grant related to the number of shares that vest, excluding dividend equivalents.

b Share grants under the GSVP are made at 50% of maximum, not at 100% of maximum as for the EDIP.

c Bob Dudley and Murray Auchincloss's awards were granted in respect of American depositary shares (ADSs). The numbers in this table reflect calculated equivalents in ordinary shares. One ADS equates to six ordinary shares.

The value of vested shares reflects the share price changes all shareholders have experienced over the three-year period. For this 2018-20 award cycle, the original grant was calculated based on ordinary share and American depositary share (ADS) prices of £5.00 and $39.85 respectively, while the values at vesting were £2.78/£2.72 (on 16 and 19 February respectively), and $22.87/$26.65 (on 19 February and 10 March respectively). Consequently, the share price fall has reduced the initial face value of these awards by approximately 45% for ordinary shares, by 33% for Murray Auchincloss's ADSs, and by 43% for Bob Dudley's ADSs. The committee has made no discretionary adjustment to vesting outcomes related to these share price changes.

2018-20 performance shares scorecard (audited)

These measures were set under the terms of our 2017 policy

See page 39 for more on our key performance indicators.

Relative total shareholder return	+	Return on average capital employed	+	Strategic process	=	Formulaic vesting
12.5%		0%		20.0%		32.5%

Measures		Weighting at maximum	Threshold performance	Maximum performance	Outcome	
Financial	Relative total shareholder return	50%	Third	First	Third	12.5%
	Return on average capital employed	30%	7.375%	11.5%	2.6%	0%
				Outcome	**12.5%**	
Strategic progress	Growing gas and advantaged oil in the upstream	5%	Qualitative and quantitative assessment by the committee. No numeric scale for vesting outcome. **See page 111**			5.0%
	Market-led growth in the downstream	5%				5.0%
	Venturing and low carbon across multiple fronts	5%				5.0%
	Gas power and renewables trading and marketing growth	5%				5.0%
				Outcome	**20.0%**	
Formulaic						32.5%

Formulaic vesting	Underpin	Final vesting after committee judgement
32.5%	**Underpin:** Committee review of absolute returns, long-term safety and environmental performance, low carbon and climate change considerations: **No adjustment**	32.5%

Executive directors' pay for 2020

Single figure table – executive directors (audited)

	Bernard Looney CEO since 5 Feb 2020 (thousand)	Murray Auchincloss CFO since 1 July 2020 (thousand)	Bob Dudley CEO to 4 Feb (thousand)		Brian Gilvary CFO to 30 June (thousand)	
	2020	**2020**	**2020**	2019	**2020**	2019
Salary	**£1,181**	**£348**	**$170**	$1,854	**£395**	£785
Benefits	**£26**	**£8**	**$18**	$84	**£41**	£59
Retirement benefits	–	–	**$0**	$544	**£0**	£0
Cash in lieu of retirement benefits	**£177**	**£52**	–	–	**£115**	£252
Annual bonus, cash	–	–	–	$1,408	–	£600
Annual bonus, deferred (as detailed on page 107)	–	–	–	$1,408	–	£600
Performance shares (as detailed on page 107)	**£351**	**£215**	–	$8,039[a]	–	£2,787[a]
Discontinued plans	–	–	–	–	–	£1,529[a]
Total remuneration[b]	**£1,735**	**£623**	**$188**	$13,336	**£552**	£6,612
Total fixed remuneration	**£1,384**	**£408**	**$188**	$2,481	**£552**	£1,095
Total variable remuneration	**£351**	**£215**	**$0**	$10,855	**£0**	£5,517

Please refer to the overview section below for additional detail, except where noted otherwise.

a The amounts reported for 2019 have been adjusted to include the vesting of additional dividends on 5 November 2020 at the market price of £2.03 for ordinary shares and $15.83 for ADSs. See the performance shares table on page 111, and the deferred shares table on page 120, for further details on these awards.
b Due to rounding, the totals do not agree exactly with the sum of their component parts.

Overview of single figure outcomes (audited)

Bernard Looney and Murray Auchincloss started in their roles as CEO and CFO on 5 February and 1 July 2020 respectively. Accordingly, the values shown in the single figure table represent remuneration outcomes from the time of their appointment to the board only. Similarly, because Bob Dudley and Brian Gilvary stepped down on 4 February and 30 June respectively, their 2020 remuneration values relate only to their part-years of service as executive directors. Payments received after they stepped down from their position are included in the payments to past directors section on page 122.

Salary and benefits

Bernard Looney's salary was £1,300,000 from appointment. The amount reported above is before his 20% mental health charitable contribution. Murray Auchincloss's salary was £695,000 from appointment. Bob Dudley's salary remained at $1,854,000 until his exit on 31 March 2020. Brian Gilvary's salary was unchanged at £790,500 until his exit on 30 June 2020. All executive directors received car-related benefits, assistance with tax return preparation, security assistance, insurance and medical benefits.

2020 annual bonus

The committee concluded that there should be no bonus for 2020 as the plan was unaffordable. There were no other contributing factors leading us to this decision.

2018-20 performance shares

Please refer to page 112 for details of the performance measures, targets and outcomes for these performance shares.

Retirement benefits

From their appointment as executive directors, Bernard Looney and Murray Auchincloss ceased to receive any retirement benefits for their service, but receive a cash allowance fixed at 15% of salary in line with the majority of similarly situated employees. They may choose to direct these allowances into retirement plans at their sole discretion, and the amounts are therefore identified as cash in lieu of retirement benefits on the single figure table.

Bob Dudley was provided with pension benefits and retirement savings through a combination of tax-qualified and non-qualified benefit plans. His normal retirement age is 60. The BP Supplemental Executive Retirement Benefit Plan (SERB) is a non-qualified defined benefit pension plan which provides a proportion of earnings for each year of service. In 2020 his accrued defined benefit pension did not increase, and the amount included in the single figure table is therefore zero.

The BP Employee Savings Plan (ESP) is a US tax-qualified defined contribution plan to which both Bob and bp contributed. The BP Excess Compensation (Savings) Plan (ECSP) is a non-qualified, unfunded, retirement savings plan to which bp notionally contributed 7% of base salary above the annual IRS limit. In 2020 Bob made contributions to the ESP totalling $28,500 and bp made matching contributions to the ESP, and notional contributions to the ECSP, totalling $32,445. However, investment losses in his unfunded ECSP account (aggregating the unfunded arrangements relating to his overall service with bp and TNK-BP) exceeded these contributions, hence the amount included in the single figure table is zero.

Brian Gilvary was provided with retirement benefits through a combination of tax-qualified and non-qualified plans for service to 31 March 2011, but linked to his final salary. In line with terms offered to UK employees employed prior to 2010 (or before 2014 in the North Sea) Brian was a member of the BP Pension Scheme (bpPS), a UK final salary defined benefit pension plan. Pension benefits accrued in excess of the individual lifetime tax allowance set by legislation were provided to Brian via a non-qualified, unfunded pension arrangement designed to mirror the design of the approved bpPS. His normal retirement age is 60, although due to his long service, benefits accrued before 1 December 2006 may be paid unreduced from age 55 with bp's consent. Brian received no salary increase in 2020, hence his interests in these retirement benefits did not increase and the amount included in the single figure table is therefore zero.

For service after 31 March 2011 Brian received a cash allowance in lieu of further accrual. This was set at 30% of salary to 30 May, then 25% of salary to 30 June 2020, and the amount has been separately identified in the single figure table.

Discontinued plans

In accordance with 2014 policy, Brian Gilvary compulsorily deferred one third of his 2015 annual bonus and received a matching award of bp shares. Both the deferred and matching awards were subject to a three-year performance period which ended on 31 December 2018, however Brian voluntarily requested that the committee delay the performance assessment and vesting of the 2015 matching award for two years, to 31 December 2020.

The committee considered operational and financial performance and reviewed safety and environmental sustainability performance over the 2016-20 period, seeking input from the strategy and sustainability committee on safety and sustainability measures. The committee concluded that safety performance continues to show improvement, with safety embedded in the culture of the organization and supporting strong operational and financial performance. The committee concluded that this award should vest in full. Because this award vested post-employment, the value is included in the payments to past directors statement on page 122, with further details available in the deferred shares table on page 120.

Bob Dudley has previously requested that the committee delay the performance assessment and vesting of all his deferred and matching awards under the 2014 policy. Following the committee's conclusion that the original safety and environmental sustainability conditions have been met, these awards will vest one year after his retirement, and the value will be reported in the payments to past directors statement in our 2021 report.

History of chief executive officer remuneration

Year	Chief executive officer	Total remuneration thousand[a]	Annual bonus % of maximum	Performance shares % of maximum
2011	Bob Dudley	$8,439	66.7	16.7
2012	Bob Dudley	$9,609	64.9	0
2013	Bob Dudley	$15,086	88.0	45.5
2014	Bob Dudley	$16,390	73.3	63.8
2015	Bob Dudley	$19,376	100.0	74.3
2016	Bob Dudley	$11,904	61.0	40.0
2017	Bob Dudley	$15,108	71.5	70.0
2018	Bob Dudley	$15,253	40.5	80.0
2019	Bob Dudley	$13,336	67.5	71.2
2020[b]	Bob Dudley	$188	0	32.5
	Bernard Looney	£1,735	0	32.5

a Total remuneration figures include share vesting outcomes.

b 2020 figures show remuneration for the periods of qualifying service as CEO during 2020, as per the single figure values on page 113.

Wider workforce in 2020

Workforce experience

During 2020 the committee has continued to receive and review information on pay outcomes and processes for our wider workforce in order to take account of wider workforce pay and conditions when setting executive remuneration, and to consider alignment between pay structures.

As part of this review we carried out a programme of engagement with a diverse range of employees from different parts of the workforce from the front line to corporate office and covering new joiners, employees with long tenure in the organization, and employees of different gender and nationality. The topics discussed addressed bp's new purpose and ambition, and how this aligns with the organization's reward programmes. Our enquiries ranged from success in attracting and retaining talent, employee preferences in how pay is delivered, the make-up of the reward package, and programmes to support international mobility. A recurring theme was the desire for flexibility, with employees wanting to be empowered to make their own choices about how they work and how they are remunerated for their work.

Overall we continue to observe well-balanced and structured approaches to reward. Although these approaches vary by business area and location, the core offering for the majority of our workforce is summarized in the table on page 116. We also find that financial reward is complemented with strong emphasis on maintaining a supportive and inclusive working environment. For instance, our commitment to family-friendly leave policies; recognition as a top global employer in Stonewall's list of the best multinational employers for LGBT+ staff; and scoring 100% for a fourth consecutive year in the Human Rights Campaign's 2021 Corporate Equality Index, which measures adoption of non-discrimination policies, equitable benefits for LGBT+ employees and families, and supporting an inclusive culture and corporate social responsibility. We are also pleased to confirm that bp is now accredited by the Living Wage Foundation as a real living wage employer in the UK. This ensures all colleagues in our UK businesses and at company-owned sites are paid at least the real living wage and we are now reviewing the position across other bp countries.

We apply the insights we gain from engaging with the workforce to challenge leadership generally and to make sure we think about remuneration holistically, not just with regard to those leaders whose pay is within our remit. This has been more relevant than ever through a year in which the COVID-19 pandemic has had such a significant impact on our people and business. Wider workforce salary increases were postponed at the normal salary review date 1 April 2020; from 1 October 2020 staff below our senior leadership level did receive increases. Salaries remained frozen for senior leaders (other than promotions) throughout 2020.

Over half of our global workforce participates in an annual cash bonus plan and for 2020 the plan was intended to pay an incentive based equally on individual performance and bp performance. However, as reported in my opening letter, the committee and CEO both concluded that there should be no bonus for 2020 as the plan was unaffordable, and this outcome applies equally to our executive directors, leadership team, and those of our wider workforce who participate in the annual bonus plan. These decisions reflect our principle of consistency for all those rewarded under our common template. Note, however, that a limited number of employees, such as those with specific contractual rights or who work in parts of the business with different remuneration models, have received bonus payments for 2020.

Looking forward, we have reviewed the role of share plans offered to employees with a view to understanding the extent to which these plans align our wider workforce with bp's purpose, particularly whether employees are personally invested in the new ambition and able to share in success. This review has led to our support for a 'one off' equity grant to every bp employee in 2021, vesting in 2025, reflecting our belief in sharing success broadly while aligning employees' longer-term interests with all shareholders.

We have also devoted time to examine the support provided for employee health and wellbeing, to gain a better understanding of how these aspects of policy support the organization's culture and encourage appropriate behaviours. This is an ongoing study and we will have more to report next year.

Turning to non-discrimination matters, we understand the sharp interest that exists in disclosures of gender and ethnicity pay gaps. Having reviewed the gender pay gap reports of the last several years we are satisfied that reward processes and decisions are designed and managed to effectively avoid bias, and that reported pay gaps relate in the main to differences in gender representation across the pay hierarchy. We therefore conclude that the narrative accompanying our pay gap reporting is better reflected within bp's diversity and inclusion reporting, rather than remuneration reporting. With this in mind, and because bp has committed to annual diversity and inclusion reporting, we will leave additional commentary to that publication, which is expected to be available on the company's website *bp.com* next month.

Summary of remuneration structure for employees below the board

Element	Policy features for the wider workforce	Comparison with executive director remuneration
Salary	Our salary is the basis for a competitive total reward package for all employees, and we conduct an annual salary review for all non-unionized employees. As we determine salaries in this review, we take account of comparable pay rates at other relevant employers, the skills, knowledge and experience of each individual, relativity to peers within bp, individual performance, and the overall budget we set for each country. In setting the budget each year, we assess how employee pay is currently positioned relative to market rates, forecasts of any further market increases, and business context related to such things as growth plans, workforce turnover and affordability.	The salaries of our executive directors and executive leadership form the basis of their total remuneration, and we review these salaries annually. The primary purpose of the review is to stay aligned with relevant market comparators. We intend to keep increases within the salary review budgets set for our wider workforce, except in specific circumstances.
Pensions and benefits	We offer market-aligned benefits packages reflecting normal practice in each country in which we operate. Where appropriate, and subject to scale, we offer significant elements of personal benefit choice to our employees.	Other than the addition of security-related benefits, our executive director benefit packages are broadly aligned with other employees who joined bp in the same country at the same time. Under our 2020 remuneration policy pension benefits have been sharply reduced for our new executive directors, who receive a cash-in-lieu of pension allowance set at 15% of salary. Their previously accrued defined benefit calculations are capped on pre-appointment salary service.
Annual bonus	Over half of our global workforce participate in an annual cash bonus plan that multiplies a target bonus amount by a performance factor in the range 0 to 2. For 2021, the performance factor will reflect bp performance alone, placing emphasis on aligning individual efforts to the shared goals of the company at this critical stage of our transition. We operate different bonus plans for those distinct parts of our business where remuneration models in the market are markedly different, such as our trading and marketing businesses.	Annual bonus for executive directors is directly related to the same group performance measures and outcomes as the wider workforce.
Performance shares	We operate a performance share plan with three-year vesting for employees from our professional entry level and above. Operation varies based on seniority in three broad tiers: group leaders (approximately 300); senior leaders (approximately 4,000); and all other professional employees (approximately 32,000 potential participants, of whom 20% will participate). Vesting is subject to group performance outcomes for the group leader population only.	Performance shares for our executive directors are assessed using the same group performance scorecard used for the group leader performance shares.

Chief executive officer to employee pay ratio

This is our second year reporting the CEO pay ratio following the requirements introduced in 2018. As last year, we have selected option A as our reporting basis, being the most accurate approach available. The employees included in these calculations were employed by the group on 31 December 2020 and pay and benefits values were determined with reference to the financial year ending 31 December 2020. We confirm that no broadly applicable components of pay have been omitted and, where necessary, full-time equivalent pay has been calculated by simple engrossment of part year values.

Our analysis this year covers more than 14,000 UK employees, 45% of whom work in our retail sites. Employee values reflect the zero bonus outcome for the majority of employees, and the delayed salary review date, from 1 April to 1 October. Given the succession of CEO in 2020, these employee values are compared against the sum of total pay values, per the single figure table on page 113, for Bernard Looney and Bob Dudley.

Year	Method	25th percentile: **pay ratio**, total pay and benefits, (salary)	50th percentile: **pay ratio**, total pay and benefits, (salary)	75th percentile: **pay ratio**, total pay and benefits, (salary)
2019	Option A	543:1 £19,108 (£18,845)	188:1 £55,071 (£38,800)	82:1 £126,085 (£74,200)
2020	**Option A**	**99:1** **£18,984** **(£18,984)**	**40:1** **£46,933** **(£29,040)**	**19:1** **£98,546** **(£80,475)**

Bob Dudley's pay has been converted from US dollars at 0.77907 for 2020. The 2019 ratio is as originally reported.

The sharp reduction in 50th percentile ratio from 188:1 to 40:1 reflects the fact that CEO remuneration is more heavily weighted to variable pay which reduces in years of weaker performance such as 2020. This is a natural reason for volatility in pay ratio reporting from year to year, and illustrates one of the challenges in commenting on whether any given year's pay ratio is appropriate. Our considered view as to appropriateness is that the policies for our CEO, and for the wider workforce, are both fit for purpose and that they deliver pay outcomes appropriate to the circumstance of the year. Thus differentials reflect both the relative contributions made at different levels in our hierarchy, and the nature of the year in question.

Taken in the round with all of the insights we have gained into pay policies and practices, we remain satisfied that pay outcomes, and the ratios derived from them, are as they should be. In particular we note that as well as being paid at least the real living wage, our UK employees also benefit from the significant intangible value of working in an inclusive and caring enterprise that is not reflected in pay ratio analyses.

Percentage change comparisons: Directors' remuneration versus employees

In the table below, values in column 'a' represent the percentage change in salary and fees; values in column 'b' represent the percentage change in taxable benefits; and values in column 'c' represent the percentage change in bonus outcomes for performance periods in respect of each financial year.

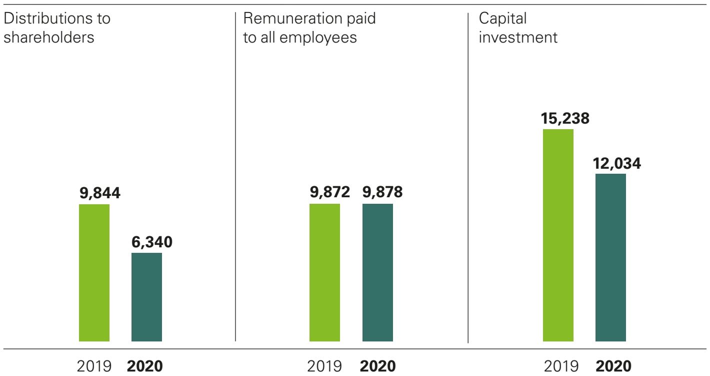
The employee percentages shown represent the change in median employee pay. This compares the median BP p.l.c. employee on 31 December of the relevant financial year, with the median BP p.l.c. employee on 31 December of the preceding financial year, in each case ranked based on the total of salary, benefits and bonus.

For the chair and non-executive directors, the decline in the value of taxable benefits largely relates to the sharp drop in business travel arising from pandemic-related travel restrictions.

	2020 v 2019		
	a	b	c
Employees	0%	0%	-100%
Bernard Looney	–	–	–
Murray Auchincloss	–	–	–
Bob Dudley	0%	-5%	-100%
Brian Gilvary	1%	13%	-100%
Nils Andersen	-7%	-46%	n/a
Dame Alison Carnwath	-4%	-94%	n/a
Pamela Daley	-15%	-92%	n/a
Sir Ian Davis	-14%	-81%	n/a
Professor Dame Ann Dowling	-4%	-96%	n/a
Helge Lund (Chair)	0%	-74%	n/a
Melody Meyer	9%	-77%	n/a
Tushar Morzaria	–	–	n/a
Brendan Nelson	-7%	-71%	n/a
Paula Rosput Reynolds	2%	-92%	n/a
Sir John Sawers	-3%	-83%	n/a

Bob Dudley, Brian Gilvary and Nils Andersen resigned during 2020, therefore, other than for one-time items, their 2020 pay has been annualised for comparison.
Bernard Looney, Murray Auchincloss and Tushar Morzaria were appointed on the board in 2020 and therefore no comparison to 2019 is available.

Relative importance of spend on pay ($ million)



Stewardship and executive director interests

We believe that our executive directors should have a material interest in the company, both during their tenure and after they leave bp. Our 2020 remuneration policy therefore requires the CEO and other executive directors to build personal shareholdings of five times salary and four and half times salary, respectively, within five years of their appointment. They are expected to maintain those shareholding levels for two years post employment.

Directors' shareholdings (audited)

The table below details the personal shareholdings of each current and former executive director. Both Bob Dudley and Brian Gilvary significantly exceed their post-employment shareholding commitment. Bernard Looney and Murray Auchincloss are building towards the policy requirement that applies five years from their dates of appointment, 5 February and 1 July 2020 respectively. These figures include all beneficial and non-beneficial ownership of shares of bp (or calculated equivalents) that have been disclosed to the company.

Director	Ordinary shares or equivalents at 1 Jan 2020	Ordinary shares or equivalents at 31 Dec 2020	Changes from 31 Dec 2020 to 2 Mar 2021	Ordinary shares or equivalents at 2 Mar 2021	Appointment date	Value of current shareholding	Multiple of salary achieved
Bernard Looney	–	331,711	212,228	543,939	5 February 2020	£1,615,499[a]	1.24x
Murray Auchincloss	–	139,525	2,010	141,535	1 July 2020	£420,359[a]	0.60x
Bob Dudley[b]	4,592,208	–	–	–	October 2010	–	–
Brian Gilvary[b]	2,593,708	–	–	–	January 2012	–	–

a Based on ordinary share price at 2 March 2021 of £2.97.
b Bob Dudley and Brian Gilvary resigned on 4 February and 30 June 2020 respectively.

These current and former executive directors have additional interests in restricted and performance shares, and Bob and Brian have various interests in deferred bonus shares. These additional share interests are shown in aggregate, and by plan, in the tables below. For performance shares, the figures reflect maximum possible vesting levels (excluding the addition of reinvested dividends) even though the actual number of shares that vest will depend on the extent to which performance conditions are satisfied.

Aggregated interests, all plans (audited)

Director[a]	Unvested ordinary shares or equivalents at 1 Jan 2020	Unvested ordinary shares or equivalents at 31 Dec 2020	Changes from 31 Dec 2020 to 2 Mar 2021	Unvested ordinary shares or equivalents at 2 Mar 2021
Bernard Looney	–	3,193,599	-530,370	2,663,229
Murray Auchincloss	–	1,581,899	-2,755	1,579,144
Bob Dudley	6,639,882	5,296,740	–	–
Brian Gilvary	2,905,764	2,060,135	–	–

a Bernard Looney was appointed as CEO on 5 February and Murray Auchincloss was appointed as CFO on 1 July 2020, Bob Dudley and Brian Gilvary resigned on 4 February and 30 June 2020 respectively.

Performance shares (audited)

	Performance period	Date of award of performance shares	Share element interests: Potential maximum performance shares[a] At 1 Jan 2020	Awarded 2020	At 31 Dec 2020	Interests vested in 2020 and 2021: Number of ordinary shares vested	Vesting date	Face value of award[c], £
Bernard Looney	2018-20[b]	20 Mar 2018	317,380	–	317,380	126,134	16 Feb 2021	
	2019-21[b]	25 Mar 2019	335,920	–	335,920	–	–	1,840,842
	2020-22[d]	11 Aug 2020	–	2,076,677	2,076,677	–	–	6,396,165
Murray Auchincloss	2018-20[be]	20 Mar 2018	155,916	–	155,916	62,124	10 Mar 2021	
	2019-21[be]	25 Mar 2019	156,468	–	156,468	–	–	857,445
	2020-22[d]	11 Aug 2020	–	999,201	999,201	–	–	3,077,539
Bob Dudley[e]	2017-19[f]	19 May 2017	1,571,628	–	–	1,358,334	18 Feb 2020	–
	2018-20[g]	22 May 2018	1,395,600	–	1,395,600	410,922	19 Feb 2021	–
	2019-21	19 Feb 2019	1,340,766	–	1,340,766	–	–	7,199,913
Brian Gilvary	2017-19[f]	19 May 2017	722,093	–	–	623,242	18 Feb 2020	–
	2018-20[g]	22 May 2018	696,705	–	696,705	227,337	19 Feb 2021	–
	2019-21	19 Feb 2019	654,315	–	654,315	–	–	3,513,672

a For awards under the 2017-19 plan, performance conditions are measured 50% on TSR relative to Chevron, ExxonMobil, Shell and Total ('comparator companies') over three years, 30% on ROACE based on performance in 2019, and 20% on strategic progress assessed over the performance period.
For awards under the 2018-2020 plans, performance conditions are measured on the same basis as the 2017-2019 plan, except ROACE which will be based on performance in the last two years of the performance period (i.e. 2019 and 2020).
For awards under the 2019-2021 plans, performance conditions are measured 50% on TSR relative to the comparator companies over three years, 20% ROACE averaged over the full performance period, and 30% on strategic progress assessed over the performance period.
Each performance period ends on 31 December of the third year.

b Awards granted under the Group Share Value Plan (GSVP) prior to appointment as executive directors (disclosed share interests reflect maximum vesting, though under this plan awards are granted at 50% of maximum). Represents vesting of shares at the end of the performance period based on performance achieved under rules of the plan and includes reinvested dividends on the shares vested. Bernard Looney's 2018-20 award vested on 16 February 2021, when the market price was £2.78 for each share, and Murray Auchincloss's award vested on 10 March 2021 when the market price for each ADS was $26.65. The amounts reported as 2020 income on the single figure table are therefore £351k for Bernard Looney and $275k (£215k) for Murray Auchincloss.

c Face values have been calculated using market prices of ordinary shares at closing on the dates of award, as follows; £5.37 on 19 February 2019; £5.48 on 25 March 2019; and £3.08 on 11 August 2020.

d Minimum vesting under these awards (below threshold performance) is 0%. At the lowest performance outcome that would yield an above-zero score on each measure, vesting would be 10% of maximum.

e These awards were received in the form of ADSs. The above numbers reflect calculated equivalents in ordinary shares. One ADS is equivalent to six ordinary shares.

f Represents vesting of shares at the end of the performance period based on performance achieved under rules of the plan and includes reinvested dividends on the shares vested. This 2017-2019 award vested on 18 February 2020, when the market price was £4.54 for each ordinary share, and $36.09 for each ADS. Reinvested dividends were delivered on 5 November 2020, when the market price was £2.03 for each ordinary share, and $15.83 for each ADS. The adjusted amounts reported as 2019 income on the single figure table are therefore $8.039 million for Bob Dudley, and £2.787 million for Brian Gilvary.

g Represents vestings of shares at the end of the performance period based on performance achieved under rules of the plan, pro-rated for time served, and includes reinvested dividends on the shares vested. This 2018-2020 award vested on 19 February 2021, when the market price was £2.72 for each share, and $22.87 for each ADS. As they were received post-employment, the value of these vested shares are included in the payments to past directors section on page 122.

Restricted shares (audited)

	Restricted period	Date of award of restricted shares	Share element interests: Number of restricted shares At 1 Jan 2020	Awarded 2020	At 31 Dec 2020	Face value of award[c], £
Bernard Looney	2016-20[a]	15 Mar 2016	75,000	–	75,000	256,500
	2018-20[a]	20 Mar 2018	104,577	–	104,577	485,237
	2018-20[b]	20 Mar 2018	137,990	–	137,990	640,274
	2019-21[b]	25 Mar 2019	146,055	–	146,055	800,381
Murray Auchincloss	2018-20[a]	20 Mar 2018	43,170	–	43,170	200,308
	2018-22[a]	20 Mar 2018	43,170	–	43,170	200,308
	2018-20[b]	20 Mar 2018	86,616	–	86,616	401,898
	2018-20[d]	20 Mar 2018	2,755	–	2,755	12,783
	2019-21[d]	25 Mar 2019	2,835	–	2,835	15,536
	2019-21[b]	25 Mar 2019	86,928	–	86,928	476,365
	2020-22[d]	28 Aug 2020	–	4,840	4,840	12,778

a Awards made under the Restricted Share Plan II prior to appointment as a director.

b Awards made under the Individual Share Value Plan prior to appointment as a director. Awards under this plan were granted at 100% of salary.

c Face values have been calculated using market prices of ordinary shares at closing on the dates of award, as follows; £3.42 on 15 March 2016; £4.64 on 20 March 2018; £5.48 on 25 March 2019; £2.64 on 28 August 2020.

d Interests of person closely associated with Murray Auchincloss.

Deferred shares[a] (audited)

	Bonus year	Type	Performance period	Date of award of deferred shares	Deferred share element interests: Potential maximum deferred shares: At 1 Jan 2020	Awarded 2020	At 31 Dec 2020	Interests vested in 2020 and 2021: Number of ordinary shares vested	Vesting date	Face value of the award[d], £
Bob Dudley[bc]	2014	Comp	2015-17	11 Feb 2015	147,054	–	147,054	–	–	655,861
		Vol	2015-17	11 Feb 2015	147,054	–	147,054	–	–	655,861
		Mat	2015-17	11 Feb 2015	294,108	–	294,108	–	–	1,311,722
	2015	Comp	2016-18	4 Mar 2016	275,892	–	275,892	–	–	1,015,283
		Vol	2016-18	4 Mar 2016	275,892	–	275,892	–	–	1,015,283
		Mat	2016-18	4 Mar 2016	551,784	–	551,784	–	–	2,030,565
	2016	Comp	2017-19	19 May 2017	147,642	–	147,642	–	–	696,870
		Mat	2017-19	19 May 2017	147,642	–	147,642	–	–	696,870
	2017	Comp	2018-20	22 May 2018	226,236	–	226,236	–	–	1,330,268
	2018	Comp	2019-21	19 Feb 2019	118,584	–	118,584	–	–	636,796
	2019	Comp	2020-22	18 Feb 2020	–	228,486	228,486	–	–	1,046,466
Brian Gilvary	2014	Mat	2015-17	11 Feb 2015	176,576	–	–	253,223[e]	18 Feb 20	–
	2015	Mat	2016-18	4 Mar 2016	318,042	–	318,042	402,227[f]	19 Feb 21	–
	2016	Comp	2017-19	19 May 2017	73,070	–	–	88,577[e]	18 Feb 20	–
		Mat[g]	2017-19	19 May 2017	73,070	–	73,070	–	–	344,890
	2017	Comp	2018-20	22 May 2018	127,457	–	127,457	153,562[h]	19 Feb 21	–
	2018	Comp	2019-21	19 Feb 2019	64,436	–	64,436	–	–	346,021
	2019	Comp	2020-22	18 Feb 2020	–	126,110	126,110	–	–	577,584

a Since 2010, vesting of the deferred shares has been subject to a safety and environmental sustainability hurdle. If the committee assesses that there has been a material deterioration in safety and environmental performance, or there have been major incidents, either of which reveal underlying weaknesses in safety and environmental management, then it may conclude that shares should vest only in part, or not at all. In reaching its conclusion, the committee obtains advice from the SAS committee. There is no identified minimum vesting threshold level. 'Comp' denotes compulsory deferral, 'Vol' denotes voluntary deferral, and 'Mat' denotes matching awards.

b Bob Dudley received awards in the form of ADSs. The above numbers reflect calculated equivalents in ordinary shares. One ADS is equivalent to six ordinary shares.

c Bob Dudley has voluntarily agreed to defer vesting of these awards until one year post employment.

d Face values have been calculated using market prices of ordinary shares on the dates of award, as follows; £4.46 on 11 February 2015; £3.68 on 4 March 2016; £4.72 on 19 May 2017; £5.88 on 22 May 2018; £5.37 on 19 February 2019; £4.58 on 18 February 2020.

e Represents vestings of shares at the end of the deferral period and includes reinvested dividends on the shares vested. The market price of each share used to determine the total value at vesting on 18 February 2020 was £4.54. The additional reinvested dividend shares were delivered on 5 November 2020, at a market price of £2.03. The adjusted amount reported as 2019 income on the single figure table is therefore £1.529 million.

f Represents vesting of shares made at the end of the deferral period, prorated for 54 months' service out of 60 months' vesting period, and includes reinvested dividends thereon. The market price of each share used to determine the total value at vesting on 19 February 2021 was £2.72. As they were received post-employment, the values of these vested shares are included in the payments to past directors section on page 122.

g Brian Gilvary has voluntarily agreed to defer vesting of this 2016 matching award to at least one year post employment.

h In line with the 2017 policy, these compulsory deferrals of Bob and Brian's 2017 bonus were included in the single figure of total remuneration reported for 2017 and therefore the values of these shares are not included as payments to past directors.

In common with many of our UK employees, Bernard Looney holds options under the bp group save as you earn (SAYE) scheme as shown below. These options are not subject to performance conditions.

Share interests in share option plans (audited)

Director	Option type	At 1 Jan 2020	Granted	Exercised	At 31 Dec 2020[a]	Option price	Market price at date of exercise	Date from which first exercisable	Expiry date
Bernard Looney	SAYE	6,024	–	–	6,024	£2.54	–	01 Sep 2025	28 Feb 2026
Murray Auchincloss	SAYE[b]	–	3,614	–	3,614	£2.54	–	01 Sep 2023	28 Feb 2024
Brian Gilvary	BP 2011[c]	400,000	–	–	400,000	£3.72	–	07 Sep 2014	07 Sep 2021
Brian Gilvary	SAYE[d]	2,064	–	–	–	£4.36	–	01 Sep 2022	28 Feb 2023

a The closing market price of an ordinary share on 31 December 2020 was £2.55. During 2020 the highest market price was £5.04, and the lowest market price was £1.93.

b Interest of person closely associated with Murray Auchincloss.

c The BP 2011 plan – these options were granted to Brian Gilvary prior to his appointment as a director and are not subject to performance conditions.

d Brian Gilvary closed his save as you earn contract, and therefore these options lapsed, on 18 June 2020.

Bernard Looney, Murray Auchincloss, Bob Dudley and Brian Gilvary have no interests in bp preference shares, debentures or option plans (other than as listed above), and none have interests in shares or loan stock of any subsidiary company.

No directors or other leadership team members own more than 1% of the ordinary shares in issue. At 2 March 2021, our directors and leadership team members collectively held interests of 5,294,828 ordinary shares or their calculated equivalents, 10,204,082 restricted share units (with or without conditions) or their calculated equivalents, 3,075,878 performance shares or their calculated equivalents and 1,580,380 options over ordinary shares or their calculated equivalents, under bp group share option schemes.

Post employment share ownership interests

Bob Dudley and Brian Gilvary have, and will continue to retain, significant interests in bp post employment. Under our 2017 policy, they gave their personal commitment as executive directors to maintain actual holdings equivalent to two and a half times salary for two years post employment. Their ongoing interests in share awards under group plans which remain subject to vesting and/or holding periods materially exceed the two and a half times salary threshold, and thus guarantee that they will continue to meet their minimum shareholding commitment. Although we instituted a formal post employment share ownership requirement as part of our 2020 policy, given the foregoing, we have not modified the requirements for these former executives.

Chair and non-executive director outcomes and interests

The remuneration policy for the chair and non-executive directors (NEDs) was approved at the 2020 AGM and implemented during 2020.

Fee structure

The table below shows the fee structure for the chair and NEDs, per our 2020 policy. The chair is not eligible for committee chairmanship and membership fees or intercontinental travel allowance.

	Fees £ thousand
Chair	785
Senior independent director[a]	120
Board member	90
Audit, geopolitical, remuneration and SAS committees chairmanship fees[b]	30
Committee membership fee[c]	20
Intercontinental travel allowance	5

a The senior independent director is eligible for committee chairmanship fees and intercontinental travel allowance plus any committee membership fees.
b Committee chairs do not receive an additional membership fee for the committee they chair.
c For members of the audit, geopolitical, SAS and remuneration committees.

As disclosed in our 2019 report, in early 2020 a revised fee structure was adopted for implementation with effect from 1 June 2020. The implementation of that revised fee structure was postponed on account of the COVID-19 pandemic and actions taken by bp in response.

With effect from 1 January 2021, a fee for membership of the people and governance committee has been introduced given the increased time commitment associated with the expanded responsibilities of this committee. The fee is in line with other committee membership fees. The senior independent director has waived her entitlement to this committee membership fee.

The geopolitical advisory council was constituted with effect from 1 January 2021. Fees of £10,000 and £15,000 are payable for membership of and chairing the council, respectively.

The fee structure for 2021 remains otherwise unchanged and the board will review the situation again during the year.

The table below shows the fees paid and applicable benefits for the year ended 31 December 2020. Benefits include travel and other expenses relating to the attendance at board and other meetings. As chair throughout 2020, Helge Lund had the use of a fully maintained office for company business, a car and driver, and security advice in London. Benefits values have been grossed up using a tax rate of 45%, where relevant, as an estimation of tax due.

2020 remuneration (audited)

	Fees		Benefits		Total[a]	
£ thousand	**2020**	2019	**2020**	2019	**2020**	2019
Nils Andersen[b]	**38**	161	**1**	11	**39**	172
Dame Alison Carnwath[b]	**110**	115	**2**	33	**112**	148
Pamela Daley	**140**	164	**3**	37	**143**	201
Sir Ian Davis[b]	**143**	165	**1**	5	**143**	170
Professor Dame Ann Dowling[c]	**135**	140	**0**	3	**135**	143
Helge Lund (Chair)	**785**	785	**25**	95	**810**	880
Melody Meyer	**166**	152	**4**	16	**170**	168
Tushar Morzaria[b]	**37**	–	**0**	–	**37**	–
Brendan Nelson	**140**	150	**3**	11	**143**	161
Paula Rosput Reynolds	**174**	170	**3**	36	**177**	206
Sir John Sawers	**140**	145	**0**	1	**140**	146

a Due to rounding, the totals may not agree exactly with the sum of the component parts.
b Nils Andersen resigned on 18 March 2020. Sir Ian Davis resigned on 30 December 2020. Tushar Morzaria was appointed on 1 September 2020. Dame Alison Carnwath resigned on 14 January 2021.
c Fee includes £25,000 for chairing and being a member of the bp technology advisory council.

Chair and non-executive directors' interests (audited)

The figures below include all the beneficial and non-beneficial interests of the chair and each non-executive director of the company in shares of bp (or calculated equivalents) that have been disclosed according to the disclosure guidance and transparency rules in the Financial Conduct Authority handbook ('the DTRs') as at the applicable dates. Our policy, shown on page 126, includes a shareholding guideline encouraging non-executive directors to establish a holding in bp shares of the equivalent value of one year's base fee.

	Ordinary shares or equivalents at 1 Jan 2020	Ordinary shares or equivalents at 31 Dec 2020	Changes from 31 Dec 2020 to 2 Mar 2021	Ordinary shares or equivalents at 2 Mar 2021	Value of current shareholding[a]	% of policy achieved
Nils Andersen[b]	125,000	–	–	–	–	–
Dame Alison Carnwath[b]	17,700	17,700	–	–	–	–
Pamela Daley	17,592[c]	40,332[c]	0	40,332[c]	$166,504	144%
Sir Ian Davis[b]	52,671	–	–	–	–	–
Professor Dame Ann Dowling	22,320	22,320	0	22,320	£66,290	74%
Helge Lund (Chair)	600,000	600,000	0	600,000	£1,782,000	227%
Melody Meyer	20,646[c]	20,646[c]	0	20,646[c]	$85,234	74%
Tushar Morzaria[b]	–	36,276	0	36,276	£107,740	120%
Brendan Nelson[d]	21,626	21,626	0	21,626	£64,229	71%
Paula Rosput Reynolds	73,200[c]	73,200[c]	0	73,200[c]	$302,194	262%
Karen Richardson[b]	–	–	–	10,746[c]	$44,363	38%
Sir John Sawers	15,506	23,116	0	23,116	£68,655	76%
Dr Johannes Teyssen[b]	–	–	–	20,000	£59,400	66%

a Based on share and ADS prices at 2 March 2021 of £2.97 and $24.77.
b Nils Andersen and Sir Ian Davis resigned on 18 March and 30 December 2020 respectively. Tushar Morzaria appointed on 1 September 2020. Karen Richardson and Dr Johannes Teyssen appointed on 1 January 2021. Dame Alison Carnwath resigned on 14 January 2021.
c Held as ADSs.
d Brendan Nelson's 31 December 2019 shareholding was incorrectly shown as 11,040 shares, rather than 21,626 shares, in our 2019 report.

Payments for loss of office (audited)

Brian Gilvary received a payment in lieu of notice of £447,950 relating to the part of his 12-month notice period that followed his retirement on 30 June 2020.

As detailed on page 120, Bob Dudley deferred the vesting of various deferred and matching share awards, related to annual bonus outcomes from 2014 to 2019, until at least one year post retirement. Of these, awards under the 2014 policy (for bonus years 2014, 2015 and 2016) were not included in the single figures of total remuneration, therefore the values of these awards will be disclosed in the payments to past directors section of the relevant annual report following vesting.

Similarly, Brian Gilvary deferred the vesting of his 2016 matching share award until at least one year post retirement. The value of this award will be disclosed in the payments to past directors section of the relevant annual report following vesting.

Payments to past directors (audited)

Since leaving employment, Bob Dudley and Brian Gilvary have received shares upon vesting of the awards listed below:

(1) Bob Dudley received 410,922 shares on vesting of his 2018-20 performance share award on 19 February 2021. Based on a share price of $22.78 this vesting was valued at $1,566,298. This award reflects the 32.5% vesting outcome, and has been pro-rated for 27 months' service through the three-year performance period.

(2) Brian Gilvary received 227,337 shares on vesting of his 2018-20 performance share award on 19 February 2021. Based on a share price of £2.72 this vesting was valued at £618,357. This award reflects the 32.5% vesting outcome, and has been pro-rated for 30 months' service through the three-year performance period.

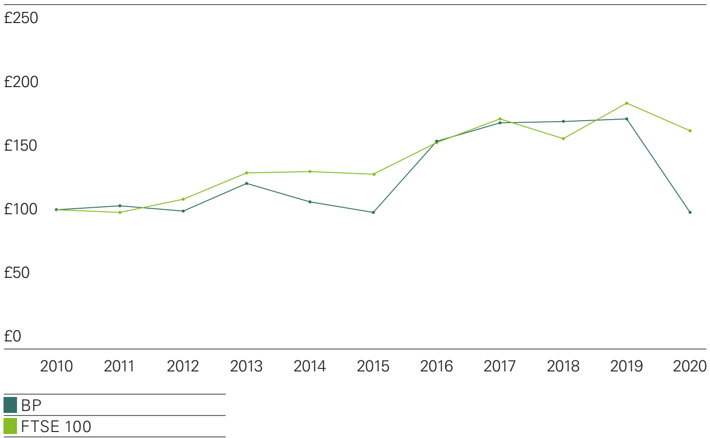
(3) Brian Gilvary received 402,227 shares on vesting of his 2015 matching award on 19 February 2021. Based on a share price of £2.72 this vesting was valued at £1,094,057. This award has been pro-rated for 54 months' service through the five-year vesting period.

Bob Dudley was also provided with post-employment medical benefits amounting to $14,359, ongoing car and driver benefits in the UK, amounting to $44,429, and relocation benefits to assist his repatriation to the US, amounting to $47,186.

We made no other payments within the scope of the disclosure requirements to any past director of bp during 2020 (we have no de minimis threshold for such disclosures).

Other disclosures

Historical TSR performance



This graph shows the growth in value of hypothetical £100 investments in BP p.l.c. ordinary shares, and in the FTSE 100 Index (of which bp is a constituent), over 10 years from 31 December 2010 to 31 December 2020.

Independence and advice

The board considers all committee members to be independent with no personal financial interest, other than as shareholders, in the committee's decisions. Further detail on the activities of the committee, advice received, and shareholder engagement is set out in the remuneration committee report on page 105.

During 2020 Ben Mathews, who was employed by the company and reported to the chair of the board, acted as secretary to the remuneration committee.

The committee also received advice on various matters relating to the remuneration of executive directors and senior management from Helmut Schuster, former EVP, group human resources, Kerry Dryburgh, EVP, people and culture (from 1 July 2020) and Ashok Pillai, SVP, reward and wellbeing.

PricewaterhouseCoopers LLP ('PwC') continued to provide independent advice to the committee in 2020, following its appointment as independent advisor to the committee in September 2017, following a competitive tender process. None of PwC's consultants advising the committee have any connection with the company's directors. PwC advice included, for example, support with remuneration benchmarking and updates on market practice. PwC is a member of the Remuneration Consulting Group and, as such, operates under the code of conduct in relation to executive remuneration consulting in the UK. The committee is satisfied that the advice received is objective and independent.

Freshfields Bruckhaus Deringer LLP ('Freshfields') provided legal advice on specific compliance matters to the committee.

PwC and Freshfields provide other advice in their respective areas to the group. During the year, PwC provided bp with services including: subsidiary company secretarial support; digital and IT services; low carbon strategy consulting; internal audit subject matter expertise and trading transformation.

Total fees or other charges (based on an hourly rate) for the provision of remuneration advice to the committee in 2020 (save in respect of legal advice) were £110,262 to PwC.

Considerations related to the Corporate Governance Code

When setting the 2020 policy, the committee concluded that the scorecard-based approach to setting targets and measuring outcomes provides great clarity in our ability to engage transparently with shareholders and the wider workforce on remuneration. Thus, bp continues to operate a simple structure of market-aligned salary with annual and three-year performance-based incentives. Risks are managed through careful setting of performance measures and targets, and broad options to apply committee discretion in assessing outcomes, such as the decision to pay no annual bonus for 2020. These are complemented with robust malus and clawback measures. Remuneration outcomes are predictable, as shown in the scenario charts of the 2020 policy, and proportional by virtue of the challenging performance levels required to achieve target pay outcomes. Through material weighting in measures related to safety, sustainability and strategy, as shown on page 109, remuneration aligns closely with bp's culture, as expressed through our purpose and ambition.

Shareholder engagement

Throughout 2020 we continued to discuss remuneration policy and approach with many of our largest shareholders, as well as investor representative bodies. We plan to continue this dialogue in 2021, as we consider issues and make decisions related to the implementation of our remuneration policy for 2021 and beyond.

The table below shows the votes on the report for the last three years.

AGM directors' remuneration report vote results

Year	% vote 'for'	% vote 'against'	Votes withheld
2020	**96.05%**	**3.95%**	**67,623,825**
2019	95.93%	4.07%	337,586,814
2018	96.42%	3.58%	42,741,541

The remuneration policy was approved by shareholders at the 2020 AGM last May. The votes on the policy are shown below.

2020 AGM directors' remuneration policy vote results

Year	**% vote 'for'**	**% vote 'against'**	**Votes withheld**
2020	**96.58%**	**3.42%**	**65,652,222**

External appointments

The board supports executive directors taking up appointments outside the company to broaden their knowledge and experience. Each executive director is permitted to retain any fee from their external appointments. Such external appointments are subject to agreement by the chair and reported to the board. Any external appointment must not conflict with a director's duties and commitments to bp. Details of appointments as non-executive directors of publicly listed companies during 2020 are shown below.

Director	Appointee company	Additional position held at appointee company	Total fees
Bernard Looney	Rosneft[a]	Director	0
Murray Auchincloss	Aker BP ASA[a]	Director	0
Bob Dudley	Rosneft[a]	Director	0
Brian Gilvary	Air Liquide SA	Non-executive director	Eur 38,375
Brian Gilvary	Barclays plc	Non-executive director	£47,500

a Held as a result of the company's shareholdings in Rosneft and Aker BP ASA.

Policy implementation for 2021

The table below shows how the remuneration policy approved by shareholders at the 2020 AGM will be implemented in 2021, alongside a summary of key features.

For the full remuneration policy, please go to ***bp.com/remuneration***

Salary and benefits	To provide fixed remuneration to reflect the scale and complexity of both the business and the role, and to be competitive with the external market. When setting salaries, the committee considers practice in other oil and gas majors as well as European and US companies of a similar size, geographic spread and business dynamic to bp. Percentage increases for executive directors will not exceed increases for the broader employee population, other than in specific circumstances identified by the committee (e.g. in response to a substantial change in responsibilities).	- Bernard Looney's salary will increase by 2.75% to £1,335,750 following the 2021 AGM. - Murray Auchincloss's salary will increase by 8% to £750,500 following the 2021 AGM. - This compares to an increase in excess of 4% to our UK salaried staff effective from 1 April, our annual salary review date. - Benefits will remain unchanged for 2021 and include car-related provisions (or cash in lieu), security assistance, insurance and medical cover.
Retirement benefits	Executive directors normally participate in the company retirement plans that operate in their home country. New appointees from within the bp group retain previously accrued benefits. For their service as a director, retirement benefits will be no more than the median provision offered to the wider workforce in the UK. For future appointments, the committee will carefully review any retirement benefits to be granted to a new director, taking account of retirement policies across the wider group and any arrangements currently in place.	- Bernard and Murray are deferred members of final salary pension plans related to their service prior to appointment as executive directors, but now receive a cash allowance in lieu of retirement benefits. - Bernard's cash allowance will be unchanged at 15%, and he accrues no further value under his deferred pension. - Murray's cash allowance will be unchanged at 15%, and he accrues no further value under his US deferred pension.
Annual bonus	Bonus is measured against an annual scorecard. The committee holds discretion to choose the specific measures and the relative weightings adopted in the annual scorecard, to reflect the annual plan as agreed with the board. Numeric scales are set for each measure, to score outcomes relative to targets. A scorecard outcome of 1.0 reflects the target outcome, and half of the maximum outcome. Target bonus is 112.5% of salary, and maximum bonus is 225% of salary. Half of the bonus for each year is paid in cash, and half is delivered as a deferred share award vesting in three years.	- For our 2021 bonus, our scorecard will be reweighted to safety (15%), environment (15%), operational (20%) and financial (50%). - Please see scorecard measures on page 125 for detail. - Awards are subject to malus and clawback provisions described on page 125.
Performance shares	Performance shares are granted with a three-year performance period, measured against scorecard. The committee holds discretion to choose the specific measures and the relative weightings adopted in the scorecard, to ensure they are focused on the near-term priorities for delivering the bp strategy in the interests of shareholders. Annual grants are 500% of salary for the CEO, and 450% of salary for any other executive director. Awards will vest in proportion to the outcomes measured through the performance scorecard, subject to any adjustment by the committee.	- For our 2021-23 cycle, 20% each for rTSR, ROACE, and EBIDA CAGR, and 40% for strategic progress. - Please see scorecard measures on page 125 for detail. - The 2021-23 awards will be granted in June 2021, based on the average closing share price over the 90 days preceding our 2021 AGM. - Awards are subject to malus and clawback provisions described on page 125.

Shareholding requirement	CEO to build a shareholding of at least five times salary, and other executive directors four and a half times salary, within five years of appointment. Executive directors are required to maintain at least that minimum level for at least two years post employment.	- Bernard and Murray have not yet reached five years since appointment, and are therefore building the share interests towards the level required by policy.
Malus and clawback	Malus provisions may apply where there is: a material safety or environmental failure; an incorrect award outcome due to miscalculation or incorrect information; a restatement due to financial reporting failure or misstatement of audited results; material misconduct; or other exceptional circumstances that the committee considers similar in nature. Clawback provisions may apply where there is: an incorrect outcome due to miscalculation or incorrect information; a restatement due to financial reporting failure or misstatement of audited results; or material misconduct.	
Committee flexibility	The committee holds discretion to adjust performance measures and weightings, and to revise the peer group for the rTSR measure. This discretion allows appropriate re-alignment, throughout the policy term, for changes in the annual plan and for the anticipated evolution of the low carbon business environment. The committee also holds discretion in determining the outcomes for annual bonus and performance shares, allowing them to take broad views on alignment with shareholder experience, environmental, societal and other relevant considerations.	- The committee has committed to an ongoing review of the outcomes of 2020-22 performance shares to ensure there is no windfall gain related to share price appreciation following market turmoil around the time the awards were granted.

Performance measures for incentive plans commencing in 2021

Annual bonus (weighting as % of maximum)

Safety	Environment	Operational performance	Financial performance
15%	15%	20%	50%
Tier 1/2 process safety	Sustainable emissions reductions	bp-operated plant reliability and refining availability (10%) Margin share from convenience and electrification (10%)	Free cash flow (25%) Cumulative cash cost reductions (25%)

Performance shares (weighting as % of maximum)

Relative TSR	ROACE	Growth (EBIDA CAGR)	Strategic progress
20%	20%	20%	40%
			Deliver value through a resilient and focused hydrocarbon business Demonstrate a track record, scale and value in low carbon electricity and energy Accelerate growth in convenience and mobility

Underpin: To take into account safety outcomes prior to determining final vesting percentage
Discretion: To reflect shareholder experience, environment, societal and other inputs
Robust malus and clawback

Directors' remuneration report continued

Policy table – non-executive directors

Non-executive chair	
Fees	
Approach	Remuneration is in the form of cash fees, payable monthly. The level and structure of the chair's remuneration will primarily be compared against UK best practice.
Operation and opportunity	The quantum and structure of the non-executive chair's remuneration is reviewed annually by the remuneration committee, which makes a recommendation to the board.
Benefits and expenses	
Approach	The chair is provided with support and reasonable travelling expenses.
Operation and opportunity	The chair is provided with an office and full-time secretarial and administrative support in London and a contribution to an office and secretarial support in his home country as appropriate. A car and the use of a driver is provided in London, together with security assistance. All reasonable travelling and other expenses (including any relevant tax) incurred in carrying out his duties are reimbursed.

Non-executive directors	
Fees	
Approach	Remuneration is in the form of cash fees, payable monthly. Remuneration practice is consistent with recognized best practice standards for non-executive directors' remuneration and, as a UK-listed company, the level and structure of non-executive directors' remuneration will primarily be compared against UK best practice. Additional fees may be payable to reflect additional board responsibilities, for example, committee chairmanship and membership and for the role of senior independent director.
Operation and opportunity	The level and structure of non-executive directors' remuneration is reviewed by the chair, the CEO and the company secretary who make a recommendation to the board. Non-executive directors do not vote on their own remuneration. Remuneration for non-executive directors is reviewed annually.
Intercontinental allowance	
Approach	Non-executive directors receive an allowance to reflect the global nature of the company's business. The intercontinental travel allowance is payable for the purpose of attending board or committee meetings or site visits.
Operation and opportunity	The allowance is paid in cash following each event of intercontinental travel.
Benefits and expenses	
Approach	Non-executive directors are provided with administrative support and reasonable travelling expenses. Professional fees are reimbursed in the form of cash, payable following the provision of advice and assistance.
Operation and opportunity	Non-executive directors are reimbursed for all reasonable travelling and subsistence expenses (including any relevant tax) incurred in carrying out their duties. The reimbursement of professional fees incurred by non-executive directors based outside the UK in connection with advice and assistance on UK tax compliance matters.
Shareholding guidelines	
Approach	Non-executive directors are encouraged to establish a holding in bp shares of the equivalent value of one year's base fee.

This directors' remuneration report was approved by the board and signed on its behalf by Ben J. S. Mathews, company secretary, on 22 March 2021.