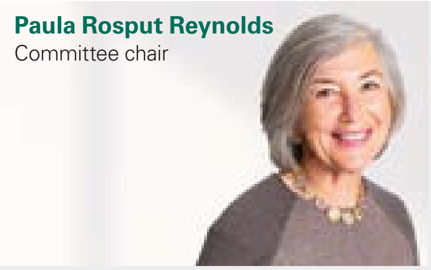


Paula Rosput Reynolds
Committee chair

> 2021 was another challenging year. The pandemic lingered. Yet, bp people completed the most significant restructuring in the company's history, safely delivering strong operational results and a return to profitability. For all of this and their commitment to progressing the energy transition, we owe our thanks.

Committee overview

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 structures, the policy to promote the long-term success of the company, and an approach to 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 leadership team.
- Set and approve the terms of employment, remuneration, benefits and termination of employment for the executive directors, leadership team, chief internal auditor and the company secretary in accordance with the policy.
- Prepare the annual remuneration report for 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 the leadership team are fair.
- Receive and consider regular updates on workforce views and engagement initiatives related to remuneration, insights and data from pay ratios, potential pay gaps and workforce remuneration as appropriate.
- Maintain appropriate dialogue with shareholders on remuneration matters.

Membership

Paula Rosput Reynolds	Member since September 2017 and chair since May 2018
Pamela Daley	Member
Melody Meyer	Member
Tushar Morzaria	Member (since January 2021)
Brendan Nelson	Member (retired May 2021)

Meetings and attendance

The committee met six times during the year. All directors attended each meeting that they were eligible to attend.

In addition to the committee, the chair of the board and the chief executive officer (CEO) attend meetings of the committee except for matters relating to their own remuneration. The CEO is consulted on the remuneration of the chief financial officer (CFO) and the leadership team. The committee advises more broadly on remuneration across the wider employee population, which is chiefly the CEO's responsibility to set. Both the CEO and CFO are consulted on matters relating to the group's performance and changes to specific measures.

bp's EVP people and culture, SVP reward and wellbeing, and the committee's independent advisors attend meetings, 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.

Contents

Dear shareholder,

On behalf of the board, I am pleased to present our 2021 directors' remuneration report. As reflected elsewhere in this annual report, 2021 was another challenging year. The pandemic lingered. Yet, bp people completed the most significant restructuring in the company's history, safely delivering strong operational results and a return to profitability. For all of this and their commitment to progressing the energy transition, we owe our thanks.

Overview of bp performance, and the remuneration outcomes arising for 2021

Every year, we seek to reward performance throughout the organization via an annual bonus plan. The 2021 bonus scorecard consists of three categories of measures, safety and sustainability, operational, and financial. The company met its safety targets which were in line with the preceding year. Emissions reductions were well in excess of target, reflecting a cumulative reduction of almost 5.6 million tonnes since 2017 when we first set goals for emissions reductions. While outcomes for availability and reliability for bp's hydrocarbon plants and refining operations were below target, the effects of the pandemic continued to make operations challenging in 2021. By contrast, our margin share from convenience and electrification exceeded target as our retail network continued to grow. Financial performance, as measured by free cash flow and cumulative cash cost reductions, was outstanding. Taking all of these measures into account, the formulaic outcome was 1.61 out of 2.0. Given the more than satisfactory achievements overall, the committee did not apply any discretion and the plan should pay out, unadjusted, at 80.5% of maximum. For our employees, this result will be a welcome outcome as last year the vast majority of our workforce received no bonus.

We also reward executives through the vesting of performance share awards. The 2019-21 awards were the last shares granted under the 2017 remuneration policy, and consist of three measures: relative total shareholder return (rTSR) weighted at 50%; return on average capital employed (ROACE) weighted at 20%; and strategic progress imperatives weighted at 30%. On a formulaic basis, neither the rTSR nor ROACE measures met threshold for vesting. Only the strategic progress measure was met, through a blend of quantitative assessments and qualitative judgements which are described later in this report on pages 123 and 124. The committee considered the outcome in the round, taking into account the external environment. Whilst there will be no vesting in respect of the financial measures, the committee recognizes the strong strategic progress made over the period and concluded that the formulaic outcome of 30% of the maximum was appropriate and there would be no application of discretion.

Forward-looking committee decisions

When making pay decisions for the wider workforce for 2022, the leadership team has been especially sensitive to the wage trends being experienced across the globe. The committee realizes that these are inflationary times and endorsed a somewhat larger budget for pay increases for the wider workforce this year, confirming our long-held aim to align jobs with market rates. Within the UK, bp has matched increases in the real living wage which exceeds the national minimums, and remains a real living wage employer.

Bernard continues to lead the enterprise with a bold vision and has also demonstrated that his goal of 'performing while transforming' is being met. Given his continued strong performance for the company, we propose to adjust Bernard's salary by 4.25% in 2022, in line with the budget for the majority of the wider workforce in the UK.

Murray has also continued to grow and fully meet the challenges of the CFO role. He now leads as a seasoned CFO. You will recall that we set his pay upon appointment at a level significantly below that of his predecessor. We increased his salary in 2021 by a rate higher than that of the budget for the majority of the wider workforce in the UK, based on his performance and market comparables. We described our thinking in last year's report, and signalled that the 2021 increase was likely to be the first of two adjustments to move Murray's base salary to be more in line with that of his predecessor. We therefore propose to increase Murray's salary by 6.6% to £800,000 which, in our view, appropriately reflects his many contributions. This also aligns him competitively with CFOs across the FTSE 30 and with roles of similar complexity.

Our 2020 remuneration policy established flexibility to adjust performance measures and weightings in our bonus and performance share plans so we can respond to circumstances and tailor incentives. While we have deliberated on our performance measures during our recent meetings, we have determined that the measures and weightings used in our most recent scorecards (2021 bonus and 2021-23 performance shares) continue to align remuneration outcomes with the strategic imperatives. Therefore, we will not make adjustments to measures for the 2022 bonus or the 2022-24 performance share plan. Keeping goals constant should assist in evaluating our progress over the next several years.

Shareholder and stakeholder engagement

In reaching the remuneration decisions described above, we have appreciated the input which we solicited and received from our largest shareholders and from selected shareholder representative bodies in the first quarter of 2022.

Over the last year we have also reflected on the counsel we have received from shareholders, with a particular focus on the need to improve transparency around our long-term incentive targets, the updates we provide on strategy, and the links to remuneration. With this in mind, we have taken strides to improve these disclosures and we hope you will find that your concerns have been addressed with the detail on pages 139 and 140.

Wider workforce activities

bp aspires to offer a well-balanced, progressive and structured approach to reward, with appropriate variations by business area and location. We also find that the 'non-financial' reward elements are essential to a supportive culture, with the wellbeing of staff and family playing an increasingly prominent role in bp's employment proposition.

As part of the programme of board/workforce engagement, we held two engagement sessions with a cross-section of UK and global employees in 2021. In these, members of the committee heard views on remuneration matters and a broad range of other topics including job satisfaction, career development, the transformation and culture. In addition, as covered elsewhere on pages 95 and 96, other board members hosted a variety of engagement sessions with selected members of the workforce, throughout 2021.

Employees were candid and constructive, which gave us confidence in the outlook and culture of the company. They showed tremendous commitment and rose to the occasion during the pandemic. However, attitudes regarding career and reward are changing in the aftermath and we must respond accordingly, evolving the reward structures, career opportunities and people processes which are described in more detail on page 126.

In last year's report we covered our aim to grant a one-off share award to every bp employee in 2021, vesting in 2025. This reflected our belief in investing for success broadly while aligning employees' longer-term interests with those of all shareholders. Having delivered on this ambition, we were delighted to see these awards win the ProShare Awards for Best International Share Plan and for Best Overall Performance in Fostering Employee Share Ownership for a company of over 50,000 employees. Our employees throughout bp have demonstrated their commitment to contribute towards the company's recovery and future performance; seeing the share price recover and the value of their shares increase is a source of optimism about the future.

Other matters

For the most part this report looks back at the performance pay outcomes to the end of 2021 and is largely silent on the board's decision, announced on 27 February 2022, to exit its shareholding in Rosneft. The board believes that this decision is in the best long-term interests of all our shareholders. The changes to bp's financial reporting and finances will be determined in the first quarter of 2022 which may, in turn, affect some of the performance measures and targets that drive incentive pay outcomes for the entire organization. Therefore, at the end of 2022, the committee will carefully consider the impact of this decision, taken under extraordinary circumstances by the board itself, and we expect to make adjustments, where appropriate, to bring this into account.

Separately, I would like to acknowledge the many outstanding contributions Brendan Nelson made to our work prior to his retirement from the board last year. He was always a source of analytically sound and well-balanced advice and his presence is greatly missed. At the same time, we are fortunate to have Tushar Morzaria join the committee and bring a fresh perspective and new valuable insights to our deliberations.

As ever, we hope you find our report informative. We welcome feedback from you and, where there are material issues of disagreement, the chance to discuss those differences with an eye to finding common ground. In closing, we ask for your support of this directors' remuneration report, and the decisions described herein, at the forthcoming annual general meeting.

Paula Rosput Reynolds
Chair of the remuneration committee
18 March 2022

Remuneration at a glance

	Purpose and key features	Outcomes for 2021	Implementation in 2022
Salary and benefits	• Fixed remuneration reflecting the scale and complexity of our business, enabling us to attract and keep the highest calibre of global talent. • Reviewed annually and, if appropriate, increased following the annual general meeting. • Benchmarked to market at inception with increases reflective of those of our wider workforce.	• Bernard's salary increased by 2.75% to £1,335,750. • Murray's salary increased by 8% to £750,500. • Benefits were unchanged.	• Bernard's salary to increase by 4.25% to £1,392,519 from the annual general meeting, in line with the budget for the majority of the wider workforce in the UK. • Murray's salary to increase by 6.6% to £800,000 from the annual general meeting, see further details on page 117. • Benefits will remain unchanged.
Retirement benefits	• To recognize competitive practice in home country. • Bernard is a deferred member of a UK final salary pension plan. Since appointment, he has received a cash allowance in lieu of retirement benefits. This was set at 15% of salary, in line with rates for new non-retail UK hires at that time • Murray is a deferred member of a US final salary pension plan. Since appointment, he has received a cash allowance in lieu of retirement benefits. This was set at 15% of salary, in line with rates for new non-retail UK hires at that time.	• Bernard's cash allowance remained unchanged at 15% of salary, and he accrues no further value under his UK deferred pension. • Murray's cash allowance remained unchanged at 15% of salary, and he accrues no further value under his US deferred pension.	• Bernard's cash allowance will remain unchanged at 15% of salary, and he accrues no further value under his UK deferred pension. • Murray's cash allowance will remain 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% of salary 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.	• For our 2021 bonus, our scorecard was weighted to the following measures: safety and sustainability (30%), operational (20%) and financial (50%). • Against those scorecard measures, the bonus outcome was 80.5% of maximum, and thus the respective 2021 bonus amounts for Bernard and Murray are £2,419,377 and £1,359,343. • 50% of these amounts have been deferred and are now held in bp shares for three years.	• Our 2022 bonus scorecard, measures and weightings will remain unchanged relative to the 2021 scorecard.
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 CEO and 450% of salary for the CFO.	• Awards granted in 2019 (the last under our 2017 remuneration policy) were measured against three measures: rTSR (50%), ROACE (20%) averaged over the three-year period, and four strategic progress imperatives (30%). Our 2019-21 performance share vesting outcome is 30% of maximum. • This outcome also determines the vesting of the 2019–21 group share value plan (GSVP) awards granted to Bernard and Murray prior to their appointment as executive directors, and thus Bernard and Murray received shares valued at £493,365 and £224,611 respectively.	• For our 2022-24 cycle, grant levels will be the same as the 2021-23 cycle at 500% of salary for Bernard and 450% of salary for Murray. • Similarly, our 2022-24 performance shares scorecard will remain unchanged relative to the 2021-23 plan.
Shareholding requirement	• To ensure sustained alignment between shareholder and executive director interests. • The CEO 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).	• Bernard and Murray have not yet achieved their minimum shareholding requirement. The policy requires Bernard and Murray to meet their minimum shareholding requirement five years from their dates of appointment (i.e. by 5 February 2025 for Bernard and 1 July 2025 for Murray).	• The minimum shareholding requirements will remain unchanged.

Alignment with our strategy and investor proposition

It is always challenging to design a remuneration policy that will remain fit for purpose throughout a three-year period. In general, the committee believes our 2020 remuneration policy covers the right components and has flexibility to act in service of our transitioning business. In discussions with shareholders most recently, we identified several areas where greater clarity in the 2023 policy will be beneficial. So, rather than simply use our flexibility, we will handle clarifications in the renewal process. For now, we believe we have the flexibility to address most circumstances that have arisen.

Overall, the current policy reflects the five broad themes that emerged from our engagement with shareholders:

- Aligns strategy, performance, shareholders' experience, and reward outcomes
- Benchmarks company performance to the performance of peers who are also undergoing transition
- Uses clear measures to reflect bp's operating and financial progress
- Provides measures to monitor progress in the energy transition and reductions to carbon impact
- Provides committee discretion to respond to the economic environment through the energy transition.

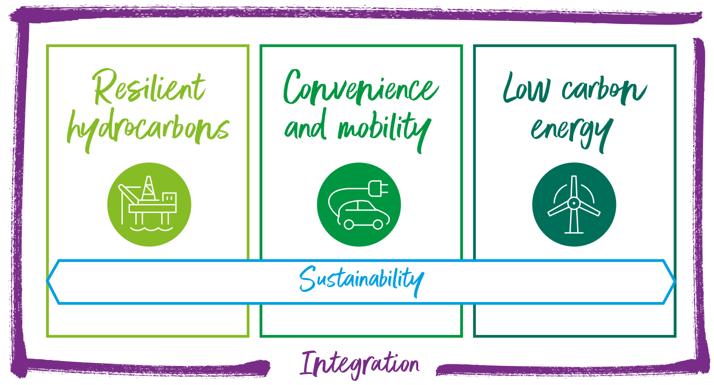
How we achieve this

Throughout the year, the board reviews and discusses company strategy as well as monitors company performance. The board receives significant shareholder input and we also consider independent analysis available on bp's strategy and performance as we discuss and debate the options. These deliberations culminate in agreed-upon annual plans and multi-year deployment of capital. In turn, this work forms the basis of the goals and measures the committee adopts for the annual bonus and performance share awards. The outcomes of these incentive arrangements are largely governed through two performance scorecards, each comprising of clear measures and targets relating to safety, sustainability, operational, strategic and financial performance. At the end of each performance period, the committee assesses quantitative performance outcomes relative to targets, and reviews the qualitative strategic accomplishments. To conclude whether any discretionary adjustment is appropriate, we then make an 'underpin' assessment to consider safety outcomes and, more broadly, how the result aligns with shareholder experience, environmental stewardship, and societal obligations and expectations.

Aligning pay outcomes to results delivered is among the most important tasks that the committee undertakes. Our commitment is to oversee this alignment with care, and to explain the basis for the judgements we make.

Flexibility through the transition

Generating cash from our resilient hydrocarbons business is the foundation for growth areas. We expect to be directing more than 40% or more of our investment into our transition growth businesses. The reallocation of spend to these future-facing endeavours will be a gradual and non-linear matter, requiring flexibility and judgement from the leadership team. From a committee perspective, as more fully discussed on pages 123 and 124, we must apply judgement in assessing this strategic progress, knowing that there are many factors that impinge on management's judgement as to the pace and scope of change.



For our most senior leaders, remuneration measures are aligned with our strategy, shown above, while maintaining a balance with delivery against the financial frame of our investor proposition, and with our core value, safety. Our measures and weightings across the bonus plans and three performance share plan cycles under the 2020 policy remain largely unchanged, bringing about continuity for plan participants.

Alignment of annual bonus scorecards under the 2020 policy

	2020 annual bonus	2021 annual bonus	**2022 annual bonus**
Safety, our core value	✓	✓	✓
Strategic progress:			
• Resilient hydrocarbons	✓	✓	✓
• Convenience and mobility		✓	✓
• Low carbon energy		✓	✓
Sustainability	✓	✓	✓
Financial frame:			
• Cash flow	✓	✓	✓
• Profit	✓		
• Cumulative cash cost reduction		✓	✓

Alignment of performance share scorecards under the 2020 policy

	2020-22 performance shares		2021-23 performance shares		**2022-24 performance shares**	
Safety, our core value	Underpin		Underpin		**Underpin**	
Strategic progress:						
• Resilient hydrocarbons	✓	30%	✓	40%	✓	**40%**
• Convenience and mobility	✓		✓		✓	
• Low carbon energy	✓		✓		✓	
Sustainability	✓		✓		✓	
Financial frame:						
• rTSR	✓	70%	✓	60%	✓	**60%**
• ROACE	✓		✓		✓	
• Adjusted EBIDA CAGR			✓		✓	

In this directors' remuneration report EBIDA per share CAGR, free cash flow excluding Deepwater Horizon costs, return on average capital employed, margin share from convenience and electrification and cumulative cash cost reductions are non-GAAP measures. These measures, together with sustainable emissions reductions, upstream plant reliability and refining availability, are defined in the glossary on page 377.

Strategic progress for the three performance share cycles under our 2020 policy is determined using a balance of quantitative assessments and qualitative judgements. To improve transparency through these performance cycles, we have been tracking key performance indicators that will help inform in-flight progress. The table below represents measures we are tracking and our delivery in 2021. For overall delivery in 2021, all measures delivered at target or better, with the exception of plant reliability and refining availability which delivered below plan (see pages 122 and 123 for more detail).

	Delivery in 2021	2025 targets
Resilient hydrocarbons		
Production costs per barrel	$6.82/boe	~$6/boe
Plant reliability	94%	96%
Refining availability	94.8%	96%
Accelerate growth in convenience and mobility		
Electric vehicle charge points	13,100	>40,000
Strategic convenience sites	2,150	~3,000
Margin share from convenience and electrification	29.1%	~35%
Demonstrate track record, scale and value in low carbon energy		
Developed renewables to FID★	4.4GW	20GW
Bioenergy[a]	26mb/d	50mb/d
LNG portfolio★[a]	18Mtpa	25Mtpa

a Since establishing the scorecards for the 2020 remuneration policy, a portion of these two business areas have subsequently been positioned under the resilient hydrocarbons strategic theme.

Environmental, social and governance (ESG) matters and remuneration

bp continues to demonstrate significant commitment to ESG matters, not only through the purpose and net zero ambition announced with our new strategy in 2020, but also through the use of relevant measures in the scorecards for annual bonus and long-term incentive plans. Environmental measures involve a focus on both low carbon and on emissions reductions.

The continued use of safety as an underpin for the long-term incentive plan, and as a measure in the annual bonus plan, speaks to our commitment to social matters in the broadest sense. In 2022, bp is expanding the impact of ESG measures through the introduction of two additional social measures: employee engagement and an improvement in ethnic representation. Recognizing the latter, we realize that, as a global company, the opportunity to become more ethnically diverse deserves the same focus and energy that we have put to gender representation and an inclusive environment. We will embed this commitment by incorporating these measures as part of the long-term incentive plan scorecard for the senior leaders of the company. Looking ahead, the committee will assess the appropriateness of including these social measures in the scorecards for executive directors during the 2023 remuneration policy review.

Governance is not a specific scorecard measure for management. However, it is woven through our corporate governance framework as described on pages 90-92.

2021 performance and pay outcomes

Business performance

2021 was another challenging year as the company navigated the energy transition, but despite this bp produced strong financial results, safely, and achieved many important operational and environmental targets.

Key strategic highlights

- Seven major projects★ delivered
- Achieved record levels of convenience store sales
- Accelerated our EV strategy
- Continued to build a disciplined low carbon energy business – now with over 5GW of wind projects and significant opportunities in hydrogen

$12.8bn Underlying replacement cost profit

$23.6bn Operating cash flow

$7.5bn Dividends paid, including share buybacks

Performance outcomes

See pages 123 and 125

Outstanding financial performance, strongly supported across non-financial measures.

2021 annual bonus

80.5% Formulaic outcome (% of maximum)

– Committee judgement, no adjustment

80.5% Final outcome (% of maximum)

Performance dimensions (% weighting)

Safety and sustainability (30%)	24.6/30
Operational (20%)	6.7/20
Financial (50%)	49.2/50

Annual bonus outcome (80.5% of maximum)

Bernard Looney	£2,419,377
Murray Auchincloss	£1,359,343

Strong strategic progress but financial returns, particularly from 2020, were disappointing.

2019-21 performance shares

30% Formulaic outcome (% of maximum)

– Committee judgement, no adjustment

30% Final outcome (% of maximum)

Performance dimensions (% weighting)

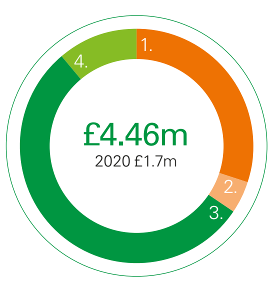
Financial (70%)	0/70
Strategic progress (30%)	30/30

Performance shares outcome (30% of maximum)

Bernard Looney	£493,365
Murray Auchincloss	£224,611

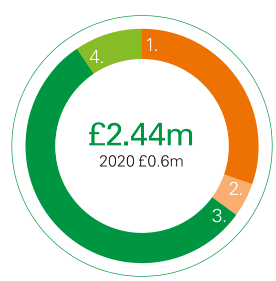
Total remuneration 2021

Bernard Looney



1. Salary and benefits
2. Retirement benefits
3. Annual bonus
4. Performance shares

Murray Auchincloss



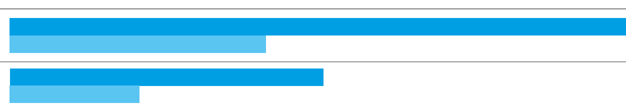
1. Salary and benefits
2. Retirement benefits
3. Annual bonus
4. Performance shares

Share ownership

Share ownership is a key means by which the interests of executive directors are aligned with those of shareholders.
As at 1 March 2022, Bernard and Murray are building towards the policy requirement (mandatory within five years of appointment).

Bernard Looney CEO

Murray Auchincloss CFO



2.07 times salary, 773,710 shares

1.86 times salary, 391,407 shares

Policy requirements

Actual

Executive directors' pay for 2021

Single figure table – executive directors (audited)

	Bernard Looney CEO (thousand) 2021	Murray Auchincloss CFO (thousand) 2021	Bernard Looney[a] CEO (thousand) 2020	Murray Auchincloss[a] CFO (thousand) 2020
Salary	£1,323	£730	£1,181	£348
Benefits	£23	£14	£26	£8
Cash in lieu of retirement benefits	£198	£110	£177	£52
Annual bonus, cash (50%)	£1,210	£680	–	–
Annual bonus, deferred (50%)	£1,210	£680	–	–
Performance shares[bc]	£493	£225	£351	£215
Total remuneration[d]	£4,457	£2,438	£1,735	£623
Total fixed remuneration	£1,544	£854	£1,384	£408
Total variable remuneration[d]	£2,913	£1,584	£351	£215

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

a Bernard Looney and Murray Auchincloss joined the board on 5 February and 1 July 2020 respectively. 2020 values reflect remuneration outcomes from the date of appointment to the board.

b Performance shares for Bernard and Murray relate to awards granted prior to their appointment to the board, and the values shown reflect share prices at close on 16 February 2022 of £4.04 per ordinary share and $32.48 per ADS.

c Murray's 2019-21 performance share award was granted in ADS. The value shown has been converted from USD to pound sterling at 1.3753.

d Due to rounding, the totals may not agree exactly with the sum of their component parts.

Overview of single figure outcomes

Salary and benefits

Bernard Looney's salary increased from £1,300,000 to £1,335,750 from the 2021 annual general meeting. Murray Auchincloss's salary increased from £695,000 to £750,500 from the 2021 annual general meeting. Both the executive directors receive car-related benefits, coverage of tax return preparation, security assistance, insurance and medical benefits.

Cash in lieu of retirement benefits

From their appointment as executive directors, Bernard and Murray ceased to receive any retirement benefits for their service, but receive a cash allowance fixed at 15% of salary. 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 in the single figure table. Since that decision was made, and as is described on page 126, bp has made significant changes to the retirement benefits of the wider non-retail workforce in the UK. For our wider non-retail workforce in the UK (54% of the full UK workforce), we increased the flexible cash benefits allowance from 15% to 20% of salary from July 2021. Therefore, the 15% allowance for bp's executive directors may no longer be representative of the wider non-retail workforce in the UK and the committee will review this as part of the 2023 policy review.

2021 annual bonus outcome

For 2021 the committee established a bonus scorecard of six measures across three areas: safety and sustainability, operational, and financial performance. These measures align with our strategy and investor proposition (see page 119 for a detailed illustration).

bp's continued focus on safety delivered a year with record low levels of tier 1 and tier 2 process safety events★, finishing the year with a total of 62 events. As part of our overview of formulaic outcomes, we rely on the judgement of the safety and sustainability committee (S&SC) for an evaluation of safety outcomes and this year we have given particular regard to the S&SC analysis of the two fatalities (one workforce and one third-party fatality) related to bp's operations. After review, the S&SC recommended that no adjustment be made and the committee concurred with that view. The S&SC noted that an adjustment should be made if there is a material deterioration in safety and environmental performance, or there have been major incidents that reveal an underlying weakness in safety and environmental management. Emissions reductions were well in excess of target, reflecting a cumulative reduction of almost 5.6 million tonnes since 2017 when we first set goals for emissions reductions. All operating entities within production & operations and shipping contributed to this achievement. Within bpx energy, progress has been made with the reduction of flaring, refining through conversion to green power contracts, and in Angola & North Sea through energy efficiency projects.

Availability and reliability of our hydrocarbon plants and refining operations were below target outcome, at 94.5%, due to unplanned hydrocarbon plant outages and higher levels of refining maintenance activity. By contrast, margin share from convenience and electrification exceeded target at 29.1%, with a record annual convenience gross margin. This was supported by the addition of over 200 strategic convenience sites and increased average purchase value. bp also continued the roll-out of electric vehicle charge points with nearly half of the 13,100 charge points now either rapid★ or ultra-fast charging★, which are preferred by motorists.

Financial performance, as measured by free cash flow and cumulative cost reductions, was outstanding. Achieving a free cash flow of $16.36 billion was very strong relative to the environment-adjusted target of $15.42 billion, and full-year earnings delivery was supported by lower capital spend from disciplined capital management and accelerated divestment proceeds. Cumulative cash cost reductions of $3.0 billion were delivered above the plan maximum, $2.8 billion.

We took input from the audit committee to ensure our conclusions were robust and properly reflected underlying financial performance relative to markets. This included a review of free cash flow, noting in particular the adjustments made to financial targets to reflect environmental pricing impacts (thereby avoiding windfall outcomes), and the effects of COVID-19, to better reflect the underlying performance of bp. Taking all of these measures into account, the formulaic outcome was 1.61 out of 2.0, or 80.5% of maximum, and the committee concluded there were no reasons to adjustment this outcome.

2021 annual bonus scorecard

These measures were set out under the terms of our 2020 policy.

See pages **24-27** for key performance indicators.

Safety and sustainability 30% + Operational performance 20% + Financial performance 50% = Formulaic score 1.61 out of 2.0

Measures		Weighting	Threshold (0)	Target (1)	Maximum (2)	Outcome
Safety and sustainability (30% weighting)	Process safety tier 1 and tier 2 events	15%	73 events 0	66 events 0.15	52 events 0.3	62 events 0.19
	Sustainable emissions reductions (million tonnes)	15%	4.63 0	4.88 0.15	5.43 0.3	5.6 million tonnes 0.30
Operational performance (20% weighting)	bp-operated reliability and availability	10%	94.2% 0	95.3% 0.1	96.4% 0.2	94.5% 0.03
	Margin share from convenience and electrification	10%	26.10% 0	28.90% 0.1	31.70% 0.2	29.1% 0.11
Financial performance (50% weighting)	Free cash flow, ex Deepwater Horizon costs ($bn)	25%	$14.42bn 0	$15.42bn 0.25	$16.42bn 0.5	$16.357bn 0.48
	Cumulative cash cost reductions 2021 vs 2019 ($bn)	25%	$2.2bn 0	$2.5bn 0.25	$2.8bn 0.5	$3.0bn 0.5
Formulaic score						1.61 out of 2.0

Formulaic scorecard outcome 1.61 out of 2.0 → Input from audit committee and safety and sustainability committee no adjustment → Remuneration committee judgement no adjustment — 80.5% of maximum

2019-21 performance share plan outcome

Bernard and Murray were granted 2019-21 performance share awards prior to their appointment as executive directors. Therefore, they hold 2019-21 awards under the group share value plan (GSVP) for senior leaders of the company, rather than under the executive director incentive plan (EDIP). However, vesting under both plans is assessed using the same group performance scorecard shown on page 125. The formulaic outcome can then be adjusted on a discretionary basis either by the committee (for executive directors) or the CEO (for senior leaders of the company).

The scorecard for the 2019-21 cycle – the last under our 2017 shareholder-approved remuneration policy – consists of three measures: rTSR (50%), ROACE (20%) averaged over the three-year period, and four strategic progress imperatives (30%).

On a formulaic basis, performance against the rTSR and ROACE measures disappointed, yielding nil outcomes.

The committee closely reviewed the four indicators of strategic progress which, in light of the major strategy shift, required much judgement to bridge achievement of the goals set in 2019 with the ongoing efforts to deliver the new strategy adopted in 2020. We started from a recognition that substantial progress has been made in improving bp's financial condition. The debt reduction achieved in 2021, the strong 2021 ROACE, and the significant reductions in underlying cost base demonstrate that the right foundation has been laid for continued strategic progress. The committee next turned to the dimensions of strategic progress set for the 2019-21 period and examined which remained relevant, what progress had been made, and where the dimensions were no longer strictly applicable. We also considered what other strategic progress could reasonably substitute and be recognized. This latter activity – deciding if there were substitute actions – included the use of both quantitative assessments and qualitative judgements by the committee.

Based on the above considerations and material provided by management, the committee concluded that the strategic progress goals were fully achieved for the 2019-21 performance shares, resulting in full scorecard recognition for this measure. Our assessment of strategic progress is as follows overleaf.

Progress against the four strategic imperatives:

1. Growing gas and advantaged oil in the upstream. bp aims to invest in new large-scale gas projects, pursue quality oil projects in core basins and seek out new opportunities in selected regions.

bp has indicated that it intends to change its investment plans to dedicate more of its capital to projects with a low or no carbon character. The consequence of this clearly changes the investment pattern of how bp meets the goal described above. We are satisfied that management has made wise choices in this regard. Despite the severe challenges presented by the pandemic, bp's production mix of gas improved from 50% in 2018 to 51% in 2021 and oil project development costs reduced from $17.2/bbl to $15.9/bbl over the same period.

The company, despite the change in focus, managed the successful start-up of 16 major projects★ over the three-year period. The oil-related projects deliver lower average development costs while both oil and gas projects deliver lower carbon intensity than the pre-existing portfolio.

2. Market-led growth in the downstream. bp aims to innovate with advanced products and strategic partnerships.

The work to advance what is now convenience & mobility falls well within the ambit of the goal established in 2019. The pandemic presented specific challenges for the customer-focused businesses with fuel sales impacted by demand destruction. However, bp's continued focus on improving its convenience competitive position is evident through the number of strategic convenience sites increasing from 1,400 in 2018 to 2,150 in 2021. With the Thornton's transaction, bp is now a leading operator in the US Midwest. The extension of the UK partnership with Marks & Spencer until at least 2030 provides further confidence that the UK forecourts offer can evolve as customers' behaviour changes.

3. Venturing and low carbon across multiple fronts. bp aims to pursue new ventures and partnerships to meet rapidly evolving trends and develop cross-business solutions to create opportunities or strengthen relationships.

This aspect of bp's ambition has proceeded as it is also highly consistent with bp's revised strategy. Critically, over 3.9MtCO_2e of sustainable emissions reductions were delivered over the 2019 to 2021 period, an important step in our aim 1 to be net zero across our entire operations on an absolute basis by 2050 or sooner. bp Launchpad continued to build its portfolio of companies in the advanced analytics and energy management space with the acquisition of Open Energi and Blueprint Power. bp ventures continued to create options for bp in new technologies and advanced mobility that will support the energy transition with investments in Lightning eMotors, BluSmart, and IoTecha. Material progress has also been made in creating low carbon businesses, as 3.5GW net offshore wind licences have been secured in the US and Irish Sea. Progress has been made in hydrogen with a 1.3mtpa project hopper built, together with Abu Dhabi partnerships and East Coast Cluster selection. In total 33 projects were delivered to final investment decision (FID) stage during 2021.

4. Gas power and renewables trading and marketing growth. bp aims to compete and seize new opportunities with partners and stakeholders in a changing world.

This goal too is consistent with the revised strategy and significant progress has been made. bp remains the largest US gas and power marketing company and one of the largest in the world; bp also secured a material deal of 250MW of power for the next 15 years. Trading is integrally related to several segments and therefore results are not compiled as a separate business. In fact, bp finished 2021 with increased earnings and a wider footprint of trading. Moreover, the increase in the scope of renewables trading has been significant. As the world recognizes the value of natural gas as a transition fuel, bp has added three advanced LNG tankers to the bp-operated fleet since 2019, grown US Gulf Coast liquefaction capacity by 7.4mtpa and more than doubled the number of non-equity LNG cargoes versus 2018 levels.

Other vesting considerations

Along with the results from the scorecard measures, the committee considers an 'underpin' to the formulaic outcome in order to determine the final vesting percentage. The underpin broadens our performance assessment, allowing us to consider overall alignment with absolute shareholder returns, environmental and safety factors (including fatalities) and progress in low carbon and climate change matters. Where relevant, we take input from the safety and sustainability committee and the audit committee to deepen our perspective.

Having considered the above matters, we concluded that there was no reason to apply a discretionary adjustment to the formulaic vesting outcome for the executive directors, and that the plan should vest in line with the scorecard outcome at 30% of maximum. This yields the outcomes shown in the table below. The scorecard detail is shown on page 125.

2019-21 performance share plan outcomes (audited)

	Shares awarded[a]	Shares vesting including dividends	Value of vested shares, Feb 2022	Impact of share price change[b]
Bernard Looney	167,960	122,120	£493,365	-£145,117
Murray Auchincloss[c]	78,234	57,066	£224,611	-£62,856

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

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

c Murray's awards were granted and delivered in respect of ADSs. The numbers in the table reflect calculated equivalents in ordinary shares, and the value has been converted from US dollars to pound sterling at 1.3753.

The value of vested shares reflects the share price changes all shareholders have experienced over the three-year period. For this 2019-21 award cycle, the original grant was calculated based on ordinary share and ADS prices of £5.48 and $43.53 respectively, while the values at vesting were £4.04 and $32.48 on 16 February 2022 (see page 129 for more detail). Consequently, the share price fall has reduced the initial face value of these awards by approximately 26% for ordinary shares and 25% for ADSs. The committee has made no discretionary adjustments to vesting outcomes related to these share price changes.

2019-21 performance share plan scorecard (audited)

These measures were set under the terms of our 2017 policy.

See pages **24-27** for key performance indicators.

Relative total shareholder return 0% + Return on average capital employed 0% + Strategic progress 30% = Formulaic vesting 30%

Measures		Weighting	Threshold performance	Maximum performance	Outcome
Financial	Relative total shareholder return	50%	Third	First	Fifth 0%
	Return on average capital employed (2019-21 average)	20%	8.5%	12.5%	6.2% 0%
				Outcome	**0%**
Strategic progress	Growing gas and advantaged oil in the upstream	7.5%	Qualitative and quantitative assessment by the committee. No numeric scale for the vesting outcome (see page 124 for more detail)		7.5%
	Market-led growth in the downstream	7.5%			7.5%
	Venturing and low carbon across multiple fronts	7.5%			7.5%
	Gas power and renewables trading and marketing growth	7.5%			7.5%
				Outcome	**30%**
Formulaic					30%

Formulaic vesting 30%

Underpin: Committee review of absolute returns, long-term safety and environmental performance, low carbon and climate change considerations: **No adjustment**

Final vesting after committee judgement 30%

History of chief executive officer remuneration

Year	Chief executive officer	Total remuneration thousand	Annual bonus % of maximum	Performance shares % of maximum
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[a]	Bob Dudley	$188	0	32.5
	Bernard Looney	£1,735	0	32.5
2021	Bernard Looney	£4,457	80.5	30

a 2020 figures show remuneration for the periods of qualifying service as CEO during 2020.

Wider workforce in 2021

Workforce experience

During 2021 the committee 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 making decisions on executive remuneration.

To further deepen our insights into the workforce experience, we have not relied only upon reports from senior leadership, but this year have engaged directly with representative employees from different parts of the workforce in two specific engagement sessions. In planning these engagement sessions we looked for diversity of input across multiple fronts: including type of role, tenure, location, and nationality. At these sessions we discussed bp's purpose and ambition, and how this aligns with the organization's reward programmes. In one of these sessions, we focused on the impact of changes to the UK reward package implemented during the year.

Our enquiries ranged from success in attracting and retaining talent, employee preferences in how pay is delivered, the structure of the reward package, and bp's programmes for international mobility. A recurring theme in the discussions was employees' desire for flexibility, with empowerment to make individual choices about both work and pay.

During 2021 bp conducted a full review of the reward package available to the wider non-retail workforce in the UK. The company completed the final step in closing its defined benefit pension plan, which had remained open for legacy employees only, and adopted a flexible cash-in-lieu benefit arrangement instead. This allowed the company to improve the consistency of benefits across the wider non-retail workforce in the UK, thus increasing the cash-in-lieu value from 15% to 20% of salary. The 20% allowance applies to the wider non-retail workforce in the UK only; bp's retail employee population are automatically enrolled in the National Employment Savings Trust (NEST), a UK defined contribution pension plan which is aligned with the typical market practice for UK retail businesses. In the interest of fairness, bp has not set a minimum earnings threshold for this population and allows all of the retail population to participate.

The fact two very separate schemes exist in the UK does complicate the definition of 'wider workforce' in determining the qualifying benefit for executive directors. As mentioned on page 122 we will seek to address this matter as part of the 2023 policy review.

We were also pleased to note the enthusiasm felt for the one-off share grant made to every bp employee in 2021. These awards, due to vest in 2025, reflect a belief that employees should be personally invested in the value that can be created through bp's reinvention, thus aligning their longer-term interests with all shareholders.

Looking beyond direct pay into the broader employee proposition, we note the strong emphasis on maintaining a supportive and inclusive working environment, and a general 'culture of care'. For instance, we note bp's commitment to family-friendly leave policies, recognition of bp as a top global employer in Stonewall's list of the best multinational employers for LGBT+ staff, and a fourth consecutive 100% score 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 delighted that bp is and continues to be accredited by the Living Wage Foundation as a real Living Wage employer in the UK. bp is actively developing plans for an equivalent global standard on fair/living wages. With all these programmes bp seeks to avoid bias through the design of appropriate reward programmes and processes.

We have reviewed data from bp's gender and ethnicity pay gap analyses and are satisfied that, while there are pay gaps, these are mainly attributable to difference in representation across the pay hierarchy and not an indicator of bias in programmes or decision-making. As the gender and ethnicity report has already been published on the company's website *bp.com*, and with bp's ongoing commitment to annual diversity, equity and inclusion reporting (first published in 2021), we won't expand any further here.

In conclusion, we find bp employees are positively engaged by their work and conditions, and that the pay structures summarized on page 127 are well-balanced for employees' needs. Approaches to pay vary by business area and location and therefore the following table covers the 'core' offering for the majority of the workforce.

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, 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 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. For our wider non-retail employees in the UK, covering 54% of the UK workforce, we increased the flexible cash benefits allowance from 15% to 20% of salary from July 2021, following the closure of the defined benefit pension arrangement.	Other than the addition of security-related benefits, our executive director benefit packages are broadly aligned with those of 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 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 and service.
Annual bonus	Over half of our global workforce participate in an annual cash bonus plan that multiplies a target bonus amount by a bp performance factor in the range 0 to 2. 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 businesses.	Annual bonus for executive directors is directly related to the same bp performance measures and outcomes as those for the wider workforce.
Performance shares	We operate a performance share plan with three-year vesting for employees from our professional entry level and above. Opportunity varies based on seniority in three broad tiers: group leaders (approximately 300); senior leaders (approximately 4,000); and all other professional employees (approximately 30,000 potential participants, of whom 20% will participate). Vesting is subject to bp performance outcomes for the group leader population only.	Performance shares for our executive directors have been assessed using the same bp performance scorecard as is used for the group leader performance shares. For the next cycle, 2022-24, we are modifying the scorecard for group leaders to fit more closely with their sphere of influence. We will consider whether to make similar amendments for executive directors next year, as part of our considerations for the 2023 policy.

Chief executive officer to employee pay ratio

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[a]	Option A	543:1 £19,108 (£18,845)	188:1 £55,071 (£38,800)	82:1 £126,085 (£74,200)
2020[a]	Option A	99:1 £18,984 (£18,984)	40:1 £46,933 (£29,040)	19:1 £98,546 (£80,475)
2021	**Option A**	**208:1** **£21,450** **(£21,450)**	**87:1** **£50,959** **(£35,000)**	**35:1** **£126,334** **(£77,475)**

a Bob Dudley's pay has been converted from US dollars as per the ratios reported in the 2019 and 2020 reports.

This is our third year reporting the CEO pay ratio following the requirements introduced in 2018. As per the last two years, we have selected Option A as our reporting basis, being the most accurate approach available, and we confirm that no broadly applicable components of pay have been omitted. Where necessary, part year or part time pay has been adjusted by a simple engrossment of part-year or part time values to get to a full time equivalent number. Employee values relate to pay and benefits for the year ended 31 December 2021.

There was a substantial decrease in the 50th percentile from 2019 to 2020 (188:1 to. 40:1), with an increase from 2020 to 2021 of 40:1 to 87:1. These changes reflect the fact that CEO remuneration is more heavily weighted to variable pay, resulting in larger year-on-year swings than wider workforce pay. 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 pay differentials are 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 circumstances of the year, with differentials that reflect the relative contributions made at different levels in our organization.

Taken in the round and with all of the insights gained into pay policies and practices, the committee is satisfied that the median pay ratio reported this year is consistent with bp's pay policies for employees and does not constitute a reason to modify our pay programmes.

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 including business travel costs; 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 below represent the relative change between the mean full-time equivalent pay for every employee employed in bp p.l.c. at any point during the relevant financial year, and the equivalent mean value for the preceding financial year.

For the chair and non-executive directors, the increase in the value of taxable benefits reflects the resumption of business travel in 2021. There is no correlating increase in the employee percentage change because travel cost reimbursements do not constitute taxable benefits for employees.

	2021 v 2020			2020 v 2019		
Percentage change for:	a	b	c	a	b	c
Employees	7%	-9%	100%[a]	0%	0%	-100%
Bernard Looney	2%	-29%	100%[a]	–	–	–
Murray Auchincloss	5%	5%	100%[a]	–	–	–
Dame Alison Carnwath	0%	-100%	n/a	-4%	-94%	n/a
Pamela Daley	4%	1385%	n/a	-15%	-92%	n/a
Professor Dame Ann Dowling	0%	-100%	n/a	-4%	-96%	n/a
Helge Lund (chair)	0%	-24%	n/a	0%	-74%	n/a
Melody Meyer	-4%	283%	n/a	9%	-77%	n/a
Tushar Morzaria	5%	0%	n/a	–	–	n/a
Brendan Nelson	14%	-100%	n/a	-7%	-71%	n/a
Paula Rosput Reynolds	6%	228%	n/a	2%	-92%	n/a
Karen Richardson	–	–	n/a	–	–	–
Sir John Sawers	0%	1588%	n/a	0%	-83%	n/a
Johannes Teyssen	–	–	n/a	–	–	–

a The resumption of bonus for 2021 is, mathematically, an infinite increase relative to the nil bonus for 2020; we have shown the increase as 100% for illustration.

Dame Alison Carnwath, Professor Dame Ann Dowling and Brendan Nelson resigned during 2021, therefore, other than for one-time items, their 2021 pay has been annualized for comparison.
Tushar Morzaria, Bernard Looney and Murray Auchincloss were appointed to the board part-way through 2020, therefore, other than for one-time items, their 2020 pay has been annualized for comparison.
Karen Richardson and Johannes Teyssen were appointed to the board in 2021 and therefore no comparison to 2020 is available.

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 shareholding policy therefore requires the CEO and CFO to build a personal shareholding of five times and four and a half times, respectively, their salary within five years of their appointment. They are expected to maintain this level of personal shareholdings for two years post employment.

Directors' shareholdings (audited)

The table below details the personal shareholdings of each current executive director. 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, but exclude shares delivered under 2019-21 performance share awards (as these are included in the performance shares table below).

Director	Ordinary shares or equivalents at 1 Jan 2021	Ordinary shares or equivalents at 31 Dec 2021	Changes from 31 Dec 2021 to 1 Mar 2022	Ordinary shares or equivalents at 1 Mar 2022	Appointment date	Value of current shareholding[a]	Multiple of salary achieved
Bernard Looney	331,711	544,919	228,791	773,710	5 Feb 2020	£2,762,145	2.07x
Murray Auchincloss	139,525	286,870	104,537	391,407	1 Jul 2020	£1,397,323	1.86x

a Based on ordinary share price at 1 March 2022 of £3.57.

The executive directors have additional interests in restricted and performance shares. These 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	Unvested ordinary shares or equivalents at 1 Jan 2021	Unvested ordinary shares or equivalents as 31 Dec 2021	Changes from 31 Dec 2021 to 1 Mar 2022	Unvested ordinary shares or equivalents at 1 Mar 2022
Bernard Looney	3,193,599	4,882,082	-293,650	4,588,432
Murray Auchincloss	1,581,899	2,447,213	-81,662	2,365,551

Performance shares (audited)

			Share element interests			Interests vested in 2022		
			Potential maximum performance shares[a]					
	Performance period	Date of award of performance shares	At 1 Jan 2021	Awarded 2021	At 31 Dec 2021	Number of ordinary shares vested	Vesting date	Face value of award[b], £
Bernard Looney	2019-21[c]	25 Mar 2019	335,920	–	335,920	122,120	16 Feb 2022	–
	2020-22[d]	11 Aug 2020	2,076,677	–	2,076,677	–	–	6,396,165
	2021-23[d]	1 Jun 2021	–	2,218,853	2,218,853	–	–	6,989,387
Murray Auchincloss	2019-21[ce]	25 Mar 2019	156,468	–	156,468	57,066	16 Feb 2022	–
	2020-22[d]	11 Aug 2020	999,201	–	999,201	–	–	3,077,539
	2021-23[d]	1 Jun 2021	–	1,122,009	1,122,009	–	–	3,534,328

a For awards under the 2019-21 plans, performance conditions are measured 50% on TSR relative to Chevron, ExxonMobil, Shell and Total (comparator companies) over three years, 20% on ROACE averaged over the full performance period, and 30% on strategic progress assessed over the performance period.
For awards under the 2020-22 plans performance conditions are measured 40% on TSR relative to an expanded peer group composed of the comparator companies and ENI, Equinor and Repsol (expanded comparator companies) over three years, 30% on ROACE averaged over the full performance period, and 30% on strategic progress assessed over the performance period.
For awards under the 2021-23 plans performance conditions are measured 20% on TSR relative to the expanded comparator companies over three years, 20% on ROACE averaged over the performance period, 20% on adjusted EBIDA CAGR per share measured versus year ending June 2020, and 40% on strategic progress assessed over the performance period.
See pages 139 and 140 for detail. Each performance period ends on 31 December of the third year.

b Face values have been calculated using market prices of ordinary shares at closing on the dates of the award, as follows; £3.08 on 11 August 2020 and £3.15 on 1 June 2021.

c Awards granted under the 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 the rules of the plan and includes reinvested dividends on the shares vested. Bernard Looney's 2019-21 award vested on 16 February, when the market price was £4.04 for each share, and Murray Auchincloss's award vested on 16 February when the market price for each ADS was $32.48. The amounts reported as 2021 income on the single figure table are therefore £493k for Bernard Looney and $309k/£225k for Murray Auchincloss.

d Minimum vesting under these awards (below threshold performance) is 0%. At threshold performance of each measure, vesting would be 10% of maximum for 2020-22 and 5% of maximum for 2021-23.

e This award was made in the form of ADSs. The above numbers reflect calculated equivalents in ordinary shares. One ADS is equivalent to six ordinary shares.

Restricted shares (audited)

	Restricted period	Date of award of restricted shares	Share element interests — Number of restricted shares: At 1 Jan 2021	Awarded 2021	At 31 Dec 2021	Face value of award[a], £
Bernard Looney	2018-21[b]	20 Mar 2018	104,577	–	104,577	485,237
	2019-21[c]	25 Mar 2019	146,055	–	146,055	800,381
Murray Auchincloss	2018-22[b]	20 Mar 2018	43,170	–	43,170	200,309
	2019-21[d]	25 Mar 2019	2,835	–	2,835	15,536
	2019-21[c]	25 Mar 2019	86,928	–	86,928	476,365
	2020-22[d]	28 Aug 2020	4,840	–	4,840	12,778
	2021-23[d]	25 Mar 2021	–	21,277	21,277	62,554
	2021-23[d]	16 Jun 2021	–	10,485	10,485	34,496

a Face values have been calculated using market prices of ordinary shares at closing on the dates of award, as follows: £4.64 on 20 March 2018; £5.48 on 25 March 2019; £2.64 on 28 August 2020; £2.94 on 25 March 2021; and £3.29 on 16 June 2021.
b Award made under the Restricted Share Plan II prior to appointment as a director.
c Awards made under the Individual Share Value Plan prior to appointment as a director. Awards under this plan were granted at 100% of salary.
d Interests of person closely associated with Murray Auchincloss.

Deferred shares[a] (audited)

	Bonus year	Performance period	Date of award of deferred shares	Deferred share element interests — Potential maximum deferred shares: Number of ordinary shares	Face value of the award[b], £
Bernard Looney	2021	2022-24	16 February 2022	292,902	£1,183,324
Murray Auchincloss	2021	2022-24	16 February 2022	164,569	£664,859

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 S&SC. There is no identified minimum vesting threshold level.
b Face values have been calculated using the market price of ordinary shares on the date of award, as follows; £4.04 on 16 February 2022.

Share interests in share option plans (audited)

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.

Director	Option type	At 1 Jan 2021	Granted	Exercised	At 31 Dec 2021[a]	Option price	Market price at date of exercise	Date from which first exercisable	Expiry date
Bernard Looney	SAYE	6,024	–	–	6,024	£2.49	–	01 Sep 2025	28 Feb 2026
Bernard Looney	SAYE	–	5,952	–	5,952	£2.52	–	01 Sep 2026	28 Feb 2027
Murray Auchincloss	SAYE[b]	3,614	–	–	3,614	£2.49	–	01 Sep 2023	28 Feb 2024
Murray Auchincloss	SAYE[b]	–	3,571	–	3,571	£2.52	–	01 Sep 2024	28 Feb 2025
Murray Auchincloss	Reinvent bp[c]	–	150,000	–	150,000	£3.15	–	11 Mar 2025	10 Mar 2031

a The closing market price of an ordinary share on 31 December 2021 was £3.31. During 2021 the highest market price was £3.66, and the lowest market price was £2.50.
b Interest of person closely associated with Murray Auchincloss.
c The Reinvent bp Plan – these options were granted to a person closely associated with Murray Auchincloss and are not subject to performance conditions.

Bernard and Murray have no interests in bp preference shares, debentures or option plans (other than as listed above), and neither have interests in shares or loan stock of any subsidiary company.

Directors and leadership team

No directors or other leadership team members own more than 1% of the ordinary shares in issue. At 1 March 2022, bp's directors and leadership team members collectively held interests of: 4,147,295 ordinary shares or their calculated equivalents; 7,192,952 restricted share units (with or without conditions) or their calculated equivalents; 6,874,211 performance shares or their calculated equivalents; and 5,953,999 options over ordinary shares or their calculated equivalents, under bp share option schemes.

Post-employment share ownership interests

Bob Dudley and Brian Gilvary have, and continued to retain, significant interests in bp post employment. 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. That commitment is guaranteed by the fact that their anticipated interests in share awards under group plans which remain subject to vesting and/or holding periods at the time they left bp exceeded the two and a half times salary threshold. 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 annual general meeting and adopted for implementation with effect from 1 June 2020. However, its implementation was postponed on account of the COVID-19 pandemic and actions taken by bp in response.

Following board approval, the remuneration arrangements for the NEDs have been adjusted with effect from 1 January 2022 as follows:

- The annual base fee for board members has been increased to £115,000.
- The annual fee for the senior independent director has been increased to £160,000.
- The annual fee for committee chairs has been increased to £35,000.
- The intercontinental travel allowance has been removed.

The levels of the new fee arrangement were benchmarked against UK peers. The annual base fee and fee for committee chairs were last increased in 2012, and the base fee for the senior independent director has not increased since 2007. The intercontinental travel allowance was removed to ensure greater simplicity and transparency in NED fee arrangements. The chair requested that his fees were not increased at this time.

As disclosed in our 2020 report and reflected in the table below, a fee for membership of the people and governance committee was introduced with effect from 1 January 2021. The senior independent director has waived her entitlement to this committee membership fee. The fee structure for 2022 remains otherwise unchanged and the board will review the situation again during the year.

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 chairship and membership fees or intercontinental travel allowance.

	2021 fees £ thousand per annum	**2022 fees £ thousand per annum**
Chair	785	**785**
Senior independent director[a]	120	**160**
Board member	90	**115**
Audit, remuneration and safety and sustainability committees chairship fees[b]	30	**35**
Committee membership fee	20	**20**
Intercontinental travel allowance	5	**–**

a The senior independent director is eligible for committee chairship and membership fees.
b Committee chairs do not receive an additional membership fee for the committee they chair.

2021 remuneration (audited)

The table below shows the fees paid and applicable benefits for the year ended 31 December 2021. Benefits include business travel and other expenses relating to attendance at board and other meetings. As chair throughout 2021, Helge Lund had the use of a fully maintained office for company business, a car and driver, and security in London. Benefits values have been grossed up using a tax rate of 45%, where relevant, as an estimation of tax due.

	Fees		Benefits		Total[a]	
£ thousand	**2021**	2020	**2021**	2020	**2021**	2020
Dame Alison Carnwath[b]	**8**	110	**0**	2	**8**	112
Pamela Daley	**145**	140	**46**	3	**191**	143
Professor Dame Ann Dowling[bc]	**51**	135	**0**	0	**51**	135
Helge Lund (Chair)	**785**	785	**19**	25	**804**	810
Melody Meyer	**160**	166	**14**	4	**174**	170
Tushar Morzaria	**136**	37	**0**	0	**136**	37
Brendan Nelson[b]	**68**	140	**0**	3	**68**	143
Paula Rosput Reynolds	**185**	174	**9**	3	**194**	177
Karen Richardson[bc]	**123**	–	**12**	–	**135**	–
Sir John Sawers[d]	**145**	140	**3**	0	**148**	140
Johannes Teyssen[be]	**120**	–	**8**	–	**128**	–

a Due to rounding, the totals may not agree exactly with the sum of the component parts.
b Dame Alison Carnwath resigned on 14 January 2021. Professor Dame Ann Dowling and Brendan Nelson retired on 12 May 2021. Karen Richardson and Johannes Teyssen were appointed on 1 January 2021.
c Fee includes £25,000 per annum for chairing the bp technology advisory council, which was undertaken by Professor Dame Ann Dowling until her retirement, and Karen Richardson thereafter.
d Fee includes £15,000 per annum for chairing the bp geopolitical advisory council.
e Fee includes £10,000 per annum for being a member of the bp geopolitical 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. Please see page 141 for more details on the non-executive director shareholding guidelines.

	Ordinary shares or equivalents at 1 Jan 2021	Ordinary shares or equivalents at 31 Dec 2021	Changes from 31 Dec 2021 to 1 Mar 2022	Ordinary shares or equivalents at 1 Mar 2022	Value of current shareholding[a]	% of guideline achieved
Dame Alison Carnwath[b]	17,700	–	–	–	–	–
Pamela Daley	40,332	40,332	0	40,332	$191,510	116%
Professor Dame Ann Dowling[b]	22,320	–	–	–	–	–
Helge Lund (Chair)	600,000	600,000	0	600,000	£2,142,000	273%
Melody Meyer	20,646	20,646	0	20,646	$98,034	59%
Tushar Morzaria	36,726	51,972	0	51,972	£185,540	155%
Brendan Nelson[b]	21,626	–	–	–	–	–
Paula Rosput Reynolds	73,200	73,200	0	73,200	$347,578	211%
Karen Richardson[b]	–	10,746	0	10,746	$51,026	31%
Sir John Sawers	23,116	24,242	0	24,242	£86,544	72%
Johannes Teyssen[b]	–	35,000	0	35,000	£124,950	104%

a Based on share and ADS prices at 1 March 2022 of £3.57 and $28.49. Where a US$ value is provided these shares are held as ADSs.

b Dame Alison Carnwath resigned on 14 January 2021. Professor Dame Ann Dowling and Brendan Nelson retired on 12 May 2021. Karen Richardson and Johannes Teyssen were appointed on 1 January 2021.

Past directors

Payments for loss of office (audited)

No payments were made during the financial year for loss of office.

Payments to past directors (audited)

Since leaving employment, Bob Dudley and Brian Gilvary have received shares upon vesting of awards as detailed in the two tables below. These relate to performance share awards made under the Executive Director Incentive Plan, and to the deferred share elements of prior year annual bonuses.

Performance shares

Bob and Brian are both regarded as 'good leavers' under the terms of the performance share plan, and therefore received shares upon vesting of the 2019-21 performance share plan, as detailed on pages 123-125. Their share vesting has been pro-rated to reflect their periods of actual service, relative to the three-year cycle. Outcomes are as follows:

	Performance period	Date of award of performance shares	Shares originally granted	Vesting date	Value of shares vested (including dividends)
Bob Dudley[a]	2019-21	19 Feb 2019	1,340,766	16 Feb 2022	$1,102,826
Brian Gilvary	2019-21	19 Feb 2019	654,315	16 Feb 2022	£480,493

a 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.

b In addition to the detail above, Bob Dudley's and Brian Gilvary's 2018-20 performance share awards vested on 19 February 2021 as disclosed in our 2020 report. Subsequent to that report, on 31 March 2021 Bob and Brian received additional dividend equivalents (the Q4 2020 dividend) on those 2018-20 awards valued at $20,819 and £8,349 respectively.

Deferred shares from prior year bonuses

As previously reported, Bob Dudley requested that the final assessment and vesting determination of various share awards related to annual bonus outcomes from 2014 to 2019, be deferred until at least one year post retirement. Similarly, Brian Gilvary made the same request of his 2016 matching share award, and that his 2015 matching share award be deferred for an additional two years. Thus the committee extended the original safety and environmental sustainability performance conditions for these awards in line with the extended deferral.

Of these voluntary deferrals, awards under the 2014 policy were not reportable in the single figures of total remuneration for the performance years in question (relating to bonus years 2014, 2015 and 2016), but fall instead to be disclosed on vesting.

As reported in our 2020 report, the committee concluded, with input from the safety and sustainability committee, that safety performance continued to show improvement with safety embedded in the culture of the organization. As a result, the original safety and environmental sustainability conditions were considered to have been met and these awards vested in 2021, one year after retirement. These vesting outcomes are as follows:

	Bonus year	Type	Performance period	Date of award of deferred shares	Shares originally granted	Vesting date	Value of shares vested (including dividends)
Bob Dudley[a]	2014	Compulsory	2015-17	11 Feb 2015	147,054	31 Mar 21	$908,742
	2014	Voluntary	2015-17	11 Feb 2015	147,054	31 Mar 21	$908,742
	2014	Matching	2015-17	11 Feb 2015	294,108	31 Mar 21	$1,590,299
	2015	Compulsory	2016-18	4 Mar 2016	275,892	31 Mar 21	$1,592,320
	2015	Voluntary	2016-18	4 Mar 2016	275,892	31 Mar 21	$1,592,320
	2015	Matching	2016-18	4 Mar 2016	551,784	31 Mar 21	$2,706,990
	2016	Compulsory	2017-19	19 May 2017	147,642	31 Mar 21	$779,541
	2016	Matching	2017-19	19 May 2017	147,642	31 Mar 21	$633,372
Brian Gilvary[b]	2016	Matching	2017-19	19 May 2017	73,070	30 Jun 21	£264,493

a 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.

b In addition to the detail above, Brian Gilvary's 2015 matching and 2017 compulsory deferred bonus share awards vested on 19 February 2021 as disclosed in our 2020 report. Subsequent to that report, on 31 March 2021 Brian received additional dividend equivalents (the Q4 2020 dividend) on those 2015 and 2017 awards valued at £14,844 and £5,667 respectively.

The committee is grateful to Bob and Brian for the act of leadership that these voluntary deferrals signified, and in particular for their commitment to the long-term interests of the company. This has meant that beyond the original vesting date, and even beyond their tenure as executive directors, the size and value of the vestings were not guaranteed.

Post-employment benefits

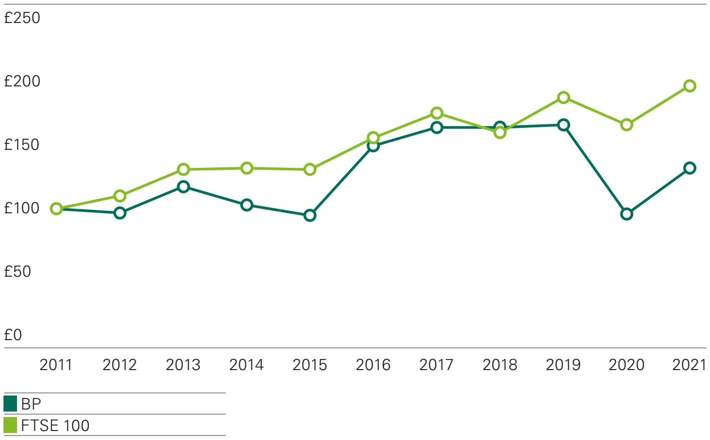
Bob Dudley was provided with a car benefit in the UK amounting to $20,581, and coverage with tax return preparation amounting to $7,189.

Brian Gilvary was provided coverage with tax return preparation amounting to £26,727.

We made no other payments within the scope of the disclosure requirements to any past director of bp during 2021 (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 2011 to 31 December 2021.

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 116.

During 2021 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 Kerry Dryburgh, EVP people and culture and Ashok Pillai, SVP reward and wellbeing.

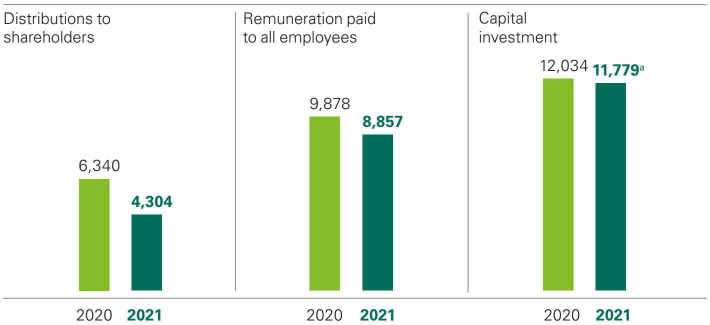
PricewaterhouseCoopers LLP (PwC) continued to provide independent advice to the committee in 2021, following its appointment as independent advisor to the committee in September 2017 following a competitive tender process. PwC advice included, for example, support with remuneration benchmarking and updates 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. The committee is comfortable that the PwC engagement partner and team who provides remuneration advice to the committee do not have connections with the company or its directors that may impair their independence.

Total fees or other charges (based on an hourly rate) for the provision of remuneration advice to the committee in 2021 (save in respect of legal advice) were £80,121 to PwC. 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.

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 flexibility to apply committee discretion in assessing outcomes. 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 119, remuneration aligns closely with bp's culture, as expressed through our purpose and ambition.

Relative importance of spend on pay ($ million)



a Organic capital expenditure

Shareholder engagement

Throughout 2021 we continued to discuss remuneration policy and approach with many of our largest shareholders, as well as their representative bodies. We plan to continue this dialogue in 2022, as we consider issues and make decisions related to the design of our remuneration policy for 2023 and beyond.

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

Annual general meeting directors' remuneration report vote results

Year	% vote 'for'	% vote 'against'	Votes withheld
2021	95.20%	4.80%	220,577,221
2020	96.05%	3.95%	67,623,825
2019	95.93%	4.07%	337,586,814

The remuneration policy was approved by shareholders at the 2020 annual general meeting in May 2020. The votes on the policy are shown below.

2020 annual general meeting directors' remuneration policy vote results

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

Service contracts and letters of appointment

The service contracts of executive directors do not have a fixed term. Service agreements for each executive director are available for inspection at the company's registered office. Each executive director's service contract contains a 12-month notice period. Consistent with the best interests of the group, the committee will seek to minimize termination payments.

	Date of contract	Effective date
Bernard Looney	4 October 2019	5 February 2020
Murray Auchincloss	20 January 2020	1 July 2020

The non-executive directors (NEDs) have letters of appointment, which are available to view at the company's registered office. Each NED is expected to serve on the board until the end of the annual general meeting following the third anniversary of their appointment. This is subject to election and subsequent annual re-election. Subject to mutual agreement, they are each expected to serve a further three years, and normally up to nine years from appointment in line with the provisions of the 2018 Code, subject to annual re-election.

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 2021 are shown below.

Director	Appointee company	Additional position held at appointee company	Total fees
Bernard Looney	Rosneft[ab]	Director	0
Murray Auchincloss	Aker BP ASA[a]	Director	0

a Held as a result of the company's shareholdings in Rosneft and Aker BP ASA.
b As of 27 February 2022, Bernard stepped down from his role as non-executive director of Rosneft.

Policy implementation for 2022

The table below shows how the remuneration policy approved by shareholders at the 2020 annual general meeting will be implemented in 2022, 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 wider workforce, 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 4.25% to £1,392,519 following the 2022 annual general meeting. • This compares to the 4.25% budget for the majority of the wider workforce in the UK effective from 1 April, bp's annual salary review date. • Murray Auchincloss's salary will increase by 6.6% to £800,000 following the 2022 annual general meeting. • Benefits will remain unchanged for 2022 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% of salary, and he accrues no further value under his UK 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	Bonus is measured against an annual scorecard. The committee has 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 2022 bonus, our scorecard will remain unchanged relative to 2021, with three measures; safety and sustainability (30%), operational (20%), and financial (50%). Please see annual bonus measures on page 139 for more detail. • Awards are subject to robust malus and clawback provisions as described below.

Performance shares	Performance shares are granted with a three-year performance period, measured against a 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 2022-24 cycle, the measures and weighting remain unchanged from the 2021-23 cycle at 20% for rTSR, 20% for ROACE, 20% for adjusted EBIDA CAGR, and 40% for strategic progress. Please see performance share plan measures on page 139 for more detail. • The 2022-24 awards will be granted based on the average closing share price of each trading day in the 90-day period ending on the date of bp's 2022 annual general meeting. • Awards are subject to robust malus and clawback provisions as described below.
Shareholding requirement	Group chief executive 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 that level for at least two years post employment.	• Bernard and Murray have not yet reached five years since appointment, and are therefore building their 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 consider 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 and environmental, societal and other relevant considerations.	• The committee has agreed to an ongoing review of the outcomes of the 2020-22 and 2021-23 performance shares to ensure appropriateness, given the market turmoil in share price at the time the awards were granted. • On 27 February 2022, bp announced its decision to exit its shareholding in Rosneft. The board believes that this decision is in the best long-term interests of all our shareholders. The changes to bp's financial reporting and finances will be determined in the first quarter of 2022 which may, in turn, affect some of the performance measures and targets that drive incentive pay outcomes for the entire organization. Therefore, at the end of 2022, the committee will carefully consider the impact of this decision, taken under extraordinary circumstances by the board itself, and we expect to make adjustments, where appropriate, to bring this into account.

The tables below illustrate the performance measures and weightings for the 2022 annual bonus and 2022-24 performance shares. The targets for the 2022 annual bonus are commercially sensitive and will be disclosed in the 2022 report.

Having reflected on the counsel received from shareholders, disclosure for the long-term incentive targets have been improved.

Performance measures for incentive plans commencing in 2022

Measures for 2022 annual bonus

Safety and sustainability

30%

Measures include	Weighting
Tier 1 and 2 process safety events★	15%
Sustainable emissions reductions	15%

Operations

20%

Measures include	Weighting
bp-operated reliability and availability	10%
Margin share from convenience and electrification	10%

Financials

50%

Measures include	Weighting
Free cash flow (%bn)	25%
Cumulative cash cost reductions (2022 vs 2019) ($bn)	25%

Measures for 2022-24 performance shares

Relative total shareholder return (rTSR) vs eight peers

20%

Peer group of eight companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell, TotalEnergies (and bp)

Financials

20%

ROACE (average 2022-24)

Growth

20%

Adjusted EBIDA per share CAGR

Strategic progress

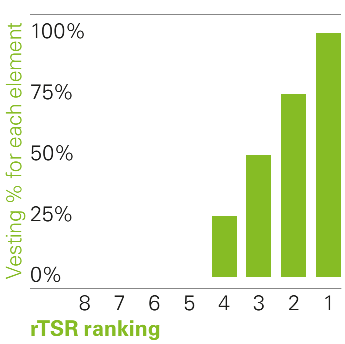
40%

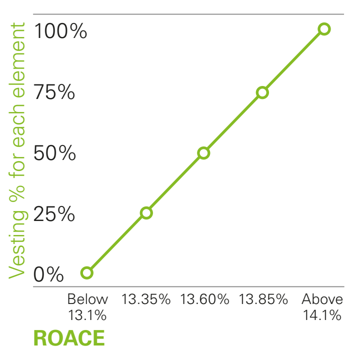
Weighting of measures subject to remuneration committee judgement:

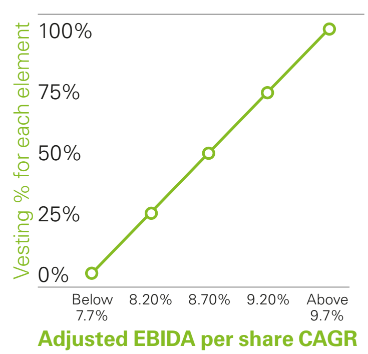
- Deliver value through a resilient hydrocarbon business (13.3%).
- Accelerate growth in customers and products (13.3%).
- Demonstrate track record, scale and value in low carbon energy (13.3%).

See page 120 for key performance indicators related to the strategic progress measures.

Peer ranking







- Underpin will take into account safety outcomes prior to determining final vesting percentage.
- RemCo discretion will reflect shareholder experience, environment, societal and other inputs (including bringing into account potential impacts arising from bp's announced intention to exit its shareholding in Rosneft).
- Robust malus and clawback may apply in certain circumstances.

Performance measures for long term incentive plans 2021-23 and 2020-22

Having reflected on the counsel received from shareholders, our disclosure for the long-term incentive targets have been improved. In the interest of completeness, we have also included below the long-term incentive targets for the 2021-23 performance shares and 2020-22 performance shares.

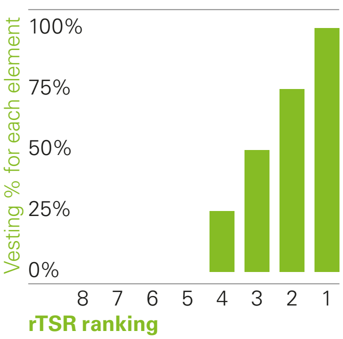
Measures for 2021-23 performance shares

Relative total shareholder return (rTSR) vs eight peers

20%

Peer group of eight companies: Chevron, Eni, Equinor, ExxonMobil, Repsol, Shell, TotalEnergies (and bp)

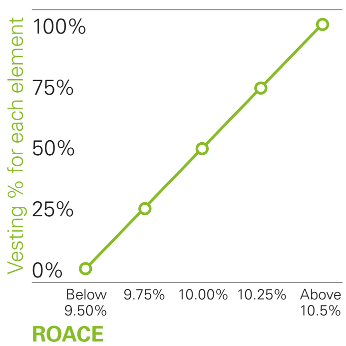
Peer ranking



Financials

20%

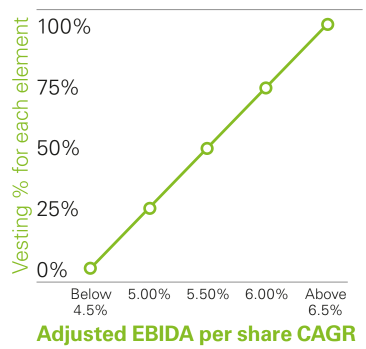
ROACE (average 2021-23)



Growth

20%

Adjusted EBIDA per share CAGR



Strategic progress

40%

Weighting of measures subject to remuneration committee judgement:

- Deliver value through a resilient hydrocarbon business (13.3%).
- Accelerate growth in customers and products (13.3%).
- Demonstrate track record, scale and value in low carbon energy (13.3%).

See page 120 for key performance indicators related to the strategic progress measures.

- Underpin will take into account safety outcomes prior to determining final vesting percentage.
- Remuneration committee discretion will reflect shareholder experience, environment, societal and other inputs (including bringing into account potential impacts arising from bp's announced intention to exit its shareholding in Rosneft).
- Robust malus and clawback may apply in certain circumstances.

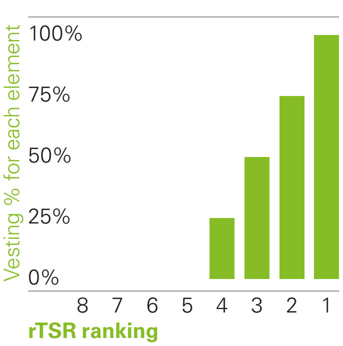
Measures for 2020-22 performance shares

Relative total shareholder return (rTSR) vs eight peers

40%

Peer group of eight companies: Shell, TotalEnergies, ExxonMobil, Chevron, Eni, Equinor, Repsol (and bp)

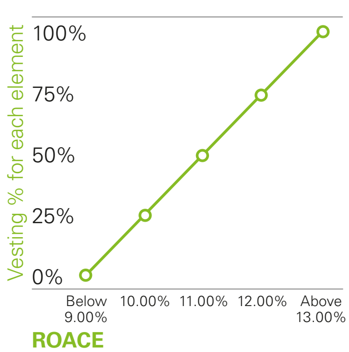
Peer ranking



Returns

30%

ROACE (average 2020-22)



Strategic progress

30%

Weighting of measures subject to remuneration committee judgement:

- Deliver value through a resilient hydrocarbon business (10%).
- Accelerate growth in customers and products (10%).
- Demonstrate track record, scale and value in low carbon energy (10%).

See page 120 for key performance indicators related to the strategic progress measures.

- Underpin will take into account safety outcomes prior to determining final vesting percentage.
- RemCo discretion will reflect shareholder experience, environment, societal and other inputs (including bringing into account potential impacts arising from bp's announced intention to exit its shareholding in Rosneft).
- Robust malus and clawback may apply in certain circumstances.

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 chairship 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[a]	
Approach	Non-executive directors may receive an allowance to reflect the global nature of the company's business. The intercontinental travel allowance may be 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. Non-executive directors based outside the UK are entitled to the reimbursement of professional fees incurred 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.

a Removed with effect from 1 January 2022.

This directors' remuneration report was approved by the board and signed on its behalf by Ben J. S. Mathews, company secretary, on 18 March 2022.