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Board of directors

As at 29 March 2018

See BP's board governance principles relating to director independence on page 275.



Carl-Henric Svanberg
Chairman

Chair of the nomination and chairman's committees; attends SEEA^a, remuneration and geopolitical committees



Bob Dudley
Group chief executive



Brian Gilvary
Chief financial officer



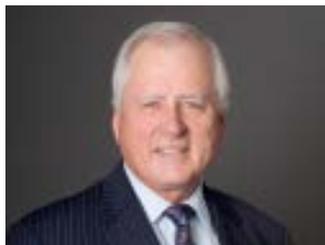
Nils Andersen
Independent non-executive director

Member of the audit and chairman's committees



Paul Anderson
Independent non-executive director

Member of the SEEA, geopolitical and chairman's committees



Alan Boeckmann
Independent non-executive director

Chair of SEEA committee; member of the remuneration, nomination and chairman's committees



Admiral Frank Bowman
Independent non-executive director

Member of the SEEA, geopolitical and chairman's committees



Ian Davis
Senior independent non-executive director

Member of the remuneration, geopolitical, nomination and chairman's committees



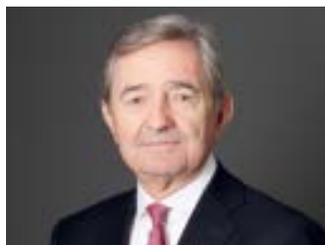
Professor Dame Ann Dowling
Independent non-executive director

Chair of the remuneration committee; member of the SEEA, nomination and chairman's committees



Melody Meyer
Independent non-executive director

Member of the SEEA, geopolitical and chairman's committees



Brendan Nelson
Independent non-executive director

Chair of the audit committee; member of the chairman's and remuneration committees



Paula Rosput Reynolds
Independent non-executive director

Member of the audit, chairman's and remuneration committees



Sir John Sawers
Independent non-executive director

Chair of the geopolitical committee; member of the SEEA, nomination and chairman's committees



David Jackson
Company secretary

^aSafety, ethics and environment assurance

Carl-Henric Svanberg

Chairman

Tenure

Appointed 1 September 2009

Board and committee activities

Chair of the nomination and chairman's committees; attends the safety, ethics and environment assurance, remuneration and geopolitical committees

Outside interests

- Chairman of AB Volvo

Age 65 Nationality Swedish

Career

Carl-Henric Svanberg became chairman of the BP board on 1 January 2010.

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

From 2003 until December 2009, he was president and chief executive officer of Ericsson, also serving as the chairman of Sony Ericsson Mobile Communications AB. He was a non-executive director of Ericsson between 2009 and 2012. He was appointed chairman and a member of the board of AB Volvo in April 2012.

He is a member of the External Advisory Board of the Earth Institute at Columbia University and a member of the Advisory Board of Harvard Kennedy School. He is also the recipient of the King of Sweden's medal for his contribution to Swedish industry.

Relevant skills and experience

Carl-Henric Svanberg is a highly experienced leader of global corporations. He has served as chief executive officer and chairman to several high profile businesses, leading them through both periods of growth and restructuring. These experiences bring not only a deep understanding of international strategic and commercial issues, but the skills to co-ordinate the diverse range of knowledge and perspectives provided by the board. He therefore enables the board to present clear and united leadership on behalf of shareholders. Carl-Henric has successfully led the board for the past eight years and has announced his intention to stand down before the AGM in 2019.

Carl-Henric's performance has been evaluated by the chairman's committee, led by Ian Davis.

Bob Dudley

Group chief executive

Tenure

Appointed to the board 6 April 2009

Outside interests

- Fellow of the Royal Academy of Engineering
- Non-executive director of Rosneft
- Member of the Tsinghua Management University Advisory Board, Beijing, China
- Member of the BritishAmerican Business International Advisory Board
- Member of the US Business Council
- Member of the US Business Roundtable
- Member of the UAE/UK CEO Forum
- Member of the Emirates Foundation Board of Trustees
- Member of the World Economic Forum (WEF) International Business Council
- Chair of the WEF Oil and Gas Climate Initiative
- Member of the Russian Geographical Society Board of Trustees

Age 62 Nationality American and British

Career

Bob Dudley became group chief executive on 1 October 2010.

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

Between 1999 and 2000 he was executive assistant to the group chief executive, subsequently becoming group vice president for BP's renewables and alternative energy activities. In 2002 he became group vice president responsible for BP's upstream businesses in Russia, the Caspian region, Angola, Algeria and Egypt.

From 2003 to 2008 he was president and chief executive officer of TNK-BP. On his return to BP in 2009, he was appointed to the BP board and oversaw the group's activities in the Americas and Asia. Between 23 June and 30 September 2010, he served as the president and chief executive officer of BP's Gulf Coast Restoration Organization in the US. He was appointed a director of Rosneft in March 2013 following BP's acquisition of a stake in Rosneft.

Relevant skills and experience

Bob Dudley has spent his whole career in the oil and gas industry. As group chief executive, Bob has transformed BP into a safer, stronger and simpler business. This approach, governed by a consistent set of values, has guided BP to a position of greater resilience, enabling it to continue delivering results in an uncertain economic environment. Bob has demonstrated excellent leadership and vision throughout. Bob continues to lead the development of the group's strategy, as we adapt to the challenges of the transition to a lower carbon economy. Under Bob's leadership, BP successfully delivered seven major projects in 2017.

Bob Dudley's performance has been considered and evaluated by the chairman's committee.

Brian Gilvary

Chief financial officer

Tenure

Appointed to the board 1 January 2012

Outside interests

- Non-executive director and member of audit committee of L'Air Liquide
- Non-executive director and vice chair of audit committee of the Navy Board
- Vice chair of the 100 Group Committee
- Member of Trilateral Commission
- Visiting professor at Manchester University
- Great Britain Age Group triathlete

Age 56 Nationality British

Career

Brian Gilvary was appointed chief financial officer on 1 January 2012.

The role includes responsibility for finance, tax, treasury, mergers and acquisitions, investor relations, audit, global business services, information technology and procurement. He also has accountability for both integrated supply and trading, and the shipping division responsible for BP's tanker fleet.

Brian joined BP in 1986 after obtaining a PhD in mathematics from the University of Manchester. Following a broad range of roles in upstream, downstream and trading in Europe and the US, he became downstream's commercial director from 2002 to 2005. From 2005 until 2009 he was chief executive of the integrated supply and trading function, BP's commodity trading arm. In 2010 he was appointed deputy group chief financial officer with responsibility for the finance function.

He was a director of TNK-BP over two periods, from 2003 to 2005 and from 2010 until the sale of the business and BP's acquisition of Rosneft equity in 2013. He served on the HM Treasury Financial Management Review Board from 2014 to 2017.

Relevant skills and experience

Brian Gilvary has spent his entire career with BP. Brian has broad experience across the group which gives him a deep insight into BP's assets and businesses. This knowledge has been invaluable as BP has implemented its strategy to transform into a 'value not volume' based business where trading is a key creator of value.

His strong understanding of finance and trading has been vital in adjusting capital structures and operational costs while ensuring the group continues to be capable of meeting new opportunities. Brian has been at the centre of the group's work on addressing cyber risk.

Brian Gilvary's performance has been evaluated by the group chief executive and considered by the chairman's committee.

Nils Andersen

Independent non-executive director

Tenure

Appointed 31 October 2016

Board and committee activities

Member of the audit and chairman's committees

Outside interests

- Non-executive director of Unilever Plc and Unilever NV
- Chairman of Dansk Supermarked Group A/S
- Chairman of Unifeeder Group A/S
- Chairman of Faerch Plast A/S

Age 59 Nationality Danish

Career

Nils Andersen was group chief executive of A.P. Møller-Mærsk from 2007 to June 2016. Prior to this he was executive vice president of Carlsberg A/S and Carlsberg Breweries A/S from 1999 to 2001, becoming president and chief executive officer from 2001 to 2007.

Previous roles include non-executive director of Inditex S.A. and William Demant A/S. He has also served as managing director of Union Cervecera, Hannen Brauerei and chief executive officer of the drinks division of the Hero Group. Nils has been nominated for election as a member and chairman of the supervisory board of Akzo Nobel N.V. following his successful appointment at their AGM in April 2018.

Nils received his graduate degree from the University of Aarhus.

Relevant skills and experience

Nils Andersen has extensive experience in consumer goods, retail and logistics, having led global corporations with integrated operations worldwide. He has substantial skill, knowledge and experience in marketing, brand and reputation issues. He has broad shipping and upstream energy industry experience which aligns with BP's shipping business. His leadership earlier in his career focused on the transformation of businesses, leaner organizations and increasing competitiveness, as well as increasing transparency and communication with stakeholders. Nils' economics and broad financial background make him well suited to his role on the audit committee.

Paul Anderson

Independent non-executive director

Tenure

Appointed 1 February 2010

Board and committee activities

Member of the safety, ethics and environment assurance, geopolitical and chairman's committees

Outside interests

No external appointments

Age 73 Nationality American

Career

Paul Anderson was formerly chief executive at BHP Billiton and Duke Energy, where he also served as chairman of the board. Having previously been chief executive officer and managing director of BHP Limited and then BHP Billiton Limited and BHP Billiton Plc, he rejoined these latter two boards in 2006 as a non-executive director, retiring in January 2010. Previously he served as a non-executive director of BAE Systems PLC and on a number of boards in the US and Australia, and was also chief executive officer of Pan Energy Corp.

Relevant skills and experience

Paul Anderson has spent his career in the energy industry working with global organizations, and brings the skills of an experienced chairman and chief executive officer to the board. His specific experience of driving safety-related cultural change throughout a business has been invaluable during his tenure as chair of the safety, ethics, and environment assurance committee from 2012 to 2016, and he remains a valuable member of the committee.

Paul's experience of business in the US and its regulatory environment is a great asset to the geopolitical committee.

Paul Anderson will be retiring from the board at the 2018 AGM in May.

Alan Boeckmann

Independent non-executive director

Tenure

Appointed 24 July 2014

Board and committee activities

Chair of the safety, ethics and environment assurance committee; member of the remuneration, nomination and chairman's committees

Outside interests

- Non-executive director of Sempra Energy
- Non-executive director of Archer Daniels Midland

Age 69 Nationality American

Career

Alan Boeckmann retired as non-executive chairman of Fluor Corporation in February 2012, ending a 35-year career with the company. Between 2002 and 2011 he held the post of chairman and chief executive officer, having previously been president and chief operating officer from 2001 to 2002. His tenure with the company included responsibility for global operations. As chairman and chief executive officer, he refocused the company on engineering, procurement, construction and maintenance services.

After graduating from the University of Arizona with a degree in electrical engineering, he joined Fluor in 1974 as an engineer and worked in a variety of domestic and international locations, including South Africa and Venezuela.

Alan was previously a non-executive director of BHP Billiton and the Burlington Santa Fe Corporation, and has served on the boards of the American Petroleum Institute, the National Petroleum Council, the Eisenhower Medical Center and the advisory board of Southern Methodist University's Cox School of Business.

He led the formation of the World Economic Forum's 'Partnering Against Corruption' initiative in 2004.

Relevant skills and experience

Alan Boeckmann has worked in a wide range of industries including engineering, construction, chemicals and the energy sector. He has been involved in delivering very large projects particularly in the energy industry. In his senior roles he directed the focus of global corporations towards the advanced technology needed to remain competitive in response to the growth of the internet, e-commerce and the globalization of the workforce. At the same time he actively promoted fairness, transparency, accountability and responsibility in business dealings through the 'Partnering Against Corruption' initiative.

This overall experience makes Alan ideal to lead the SEEAC. His remuneration experience on other boards means that he makes a strong contribution to the remuneration committee.

Admiral Frank Bowman

Independent non-executive director

Tenure

Appointed 8 November 2010

Board and committee activities

Member of the safety, ethics and environment assurance, geopolitical and chairman's committees

Outside interests

- President of Strategic Decisions, LLC
- Director of Morgan Stanley Mutual Funds
- Director of Naval and Nuclear Technologies, LLP

Age 73 Nationality American

Career

Frank L Bowman served for more than 38 years in the US Navy, rising to the rank of Admiral. He commanded the nuclear submarine *USS City of Corpus Christi* and the submarine tender *USS Holland*. After promotion to flag officer, he served on the joint staff as director of political-military affairs and as the chief of naval personnel. He served over eight years as director of the Naval Nuclear Propulsion Program where he was responsible for the operations of more than 100 reactors aboard the US Navy's aircraft carriers and submarines.

After his retirement as an Admiral in 2004, he was president and chief executive officer of the Nuclear Energy Institute until 2008. He served on the BP Independent Safety Review Panel and was a member of the BP America External Advisory Council. He holds two masters degrees in engineering from the Massachusetts Institute of Technology. He was appointed Honorary Knight Commander of the British Empire in 2005. He was elected to the US National Academy of Engineering in 2009.

Frank is a member of the US CNA military advisory board and has participated in studies of climate change and its impact on national security, and on future global energy solutions and water scarcity. Additionally he was co-chair of a National Academies study investigating the implications of climate change for naval forces.

Relevant skills and experience

Frank Bowman's exemplary safety record in running the US Navy's nuclear submarine program indicates his deep understanding of process safety and its implementation. Frank makes a substantial contribution to the safety culture within BP. Combined with his specific knowledge of BP's safety goals from his work on the BP Independent Safety Review Panel and his special interest in climate change, he brings an important perspective to the board and the SEEAC. He has led the oversight of BP's compliance with the agreements with the US government stemming from the Deepwater Horizon accident.

Frank's experience of the US and global political and regulatory systems is a valuable asset to the geopolitical committee.

Ian Davis

Senior independent non-executive director

Tenure

Appointed 2 April 2010

Board and committee activities

Member of the remuneration, geopolitical, nomination and chairman's committees

Outside interests

- Chairman of Rolls-Royce Holdings plc
- Non-executive director of Majid Al Futtaim Holding LLC
- Non-executive director of Johnson & Johnson, Inc.
- Non-executive director of Teach for All

Age 67 Nationality British

Career

Ian Davis is senior partner emeritus of McKinsey & Company. He was a partner at McKinsey for 31 years until 2010 and served as chairman and managing director between 2003 and 2009.

Ian has a MA in Politics, Philosophy and Economics from Balliol College, University of Oxford.

Relevant skills and experience

Ian Davis brings global financial and strategic experience to the board. He has worked with and advised global organizations and companies in a wide variety of sectors including oil and gas and the public sector. He is able to draw on knowledge of diverse issues and outcomes to assist the board and its committees.

Ian led the board's oversight of the response in the Gulf and chaired the Gulf of Mexico committee from its formation in 2010 until it was stood down in 2016. He was previously a non-executive director in the Cabinet Office giving him an important perspective on government affairs which is an asset to both the board and the geopolitical committee.

In his role as the senior independent director, Ian is responsible for the annual evaluation of the chairman's performance and is leading the search for the successor to the chairman.

Professor Dame Ann Dowling

Independent non-executive director

Tenure

Appointed 3 February 2012

Board and committee activities

Chair of the remuneration committee; member of the safety, ethics and environment assurance, nomination and chairman's committees

Outside interests

- President of the Royal Academy of Engineering
- Deputy vice-chancellor and professor of Mechanical Engineering at the University of Cambridge
- Member of the Prime Minister's Council for Science and Technology
- Non-executive director of the Department for Business, Energy and Industrial Strategy (BEIS)

Age 65 Nationality British

Career

Dame Ann Dowling is a deputy vice-chancellor at the University of Cambridge where she was appointed a professor of mechanical engineering in the department of engineering in 1993. She was head of the department of engineering at the university from 2009 to 2014. Her research is in fluid mechanics, acoustics and combustion, and she has held visiting posts at MIT and at Caltech. She chairs BP's technical advisory council.

Dame Ann is a fellow of the Royal Society and the Royal Academy of Engineering and a foreign associate of the US National Academy of Engineering, the Chinese Academy of Engineering and the French Academy of Sciences. She has honorary degrees from 15 universities, including the University of Oxford, Imperial College London and the KTH Royal Institute of Technology, Stockholm.

She was elected President of the Royal Academy of Engineering in September 2014 and in December 2015 was appointed to the Order of Merit.

Relevant skills and experience

Dame Ann is an internationally respected leader in engineering research and the practical application of new technology in industry. Her contribution in these fields has been widely recognized by universities around the world. Her academic background provides balance to the board and brings a different perspective to the SEEAC and nomination committee.

Dame Ann became chair of the remuneration committee in 2015. Following an extensive consultation, a revised remuneration policy was approved by shareholders at the 2017 AGM. This was a direct result of Dame Ann's leadership of the committee. Dame Ann will hand the chair of the committee to Paula Reynolds after the 2018 AGM.

Melody Meyer

Independent non-executive director

Tenure

Appointed 17 May 2017

Board and committee activities

Member of the safety, ethics and environment assurance, geopolitical and chairman's committees

Outside interests

- President of Melody Meyer Energy LLC
- Director of the National Bureau of Asian Research
- Trustee of Trinity University
- Non-executive director of AbbVie Inc.
- Senior Advisor to Cairn India Limited
- Non-executive director of National Oilwell Varco, Inc.

Age 60 Nationality American

Career

Melody Meyer started her career with Gulf Oil in Houston. Gulf Oil later merged with Chevron where Melody remained until her retirement in 2016.

During her career with Chevron, Melody had key leadership roles in global exploration and production, working on international projects and operational assignments. In 2004 Melody became the vice president for the Gulf of Mexico business unit, and in 2008 became president of the Chevron Energy Technology Company. From 2011 Melody was president of Asia Pacific Exploration and Production, responsible for the financial and operating performance of the upstream assets in nine countries in Chevron's Asia Pacific region. Melody was the executive sponsor of the Chevron Women's Network and continues as a mentor and advocate for the advancement of women in the industry. She was recognized as a 2009 Trinity Distinguished Alumni, with the BioHouston Women in Science Award, was the ASME Rhodes Petroleum Industry Leadership Award recipient and in 2018 as an Influential Woman in Energy.

Relevant skills and experience

Melody Meyer has spent her entire career in the oil and gas industry. The breadth, variety and geographic scope of her experience is distinctive. Her career has been marked by a focus on excellence, safety and performance improvement. She has expertise in the execution of major capital projects, creation of businesses in new countries, strategic and business planning, merger integration and safe and reliable operations.

Melody brings a world class operational perspective to the board, with a deep understanding of the factors influencing safe, efficient and commercially high-performing projects in a global organization.

Brendan Nelson

Independent non-executive director

Tenure

Appointed 8 November 2010

Board and committee activities

Chair of the audit committee; member of the chairman's and remuneration committees

Outside interests

- Non-executive director and chairman of the group audit committee of The Royal Bank of Scotland Group plc
- Member of the Financial Reporting Review Panel

Age 68 Nationality British

Career

Brendan Nelson is a chartered accountant. He was made a partner of KPMG in 1984. He served as a member of the UK board of KPMG from 2000 to 2006, subsequently being appointed vice chairman until his retirement in 2010. At KPMG International he held a number of senior positions including global chairman, banking and global chairman, financial services.

He served for six years as a member of the Financial Services Practitioner Panel and in 2013 was the president of the Institute of Chartered Accountants of Scotland.

Relevant skills and experience

Brendan Nelson has completed a wide variety of audit, regulatory and due-diligence engagements over the course of his career. He played a significant role in the development of the profession's approach to the audit of banks in the UK, with particular emphasis on establishing auditing standards. He continues to contribute in his role as a member of the Financial Reporting Review Panel.

This wide experience makes him ideally suited to chair the audit committee and to act as its financial expert. He brings related input from his role as the chair of the audit committee of a major bank. His specialism in the financial services industry allows him to contribute insight into the challenges faced by global businesses by regulatory frameworks.

Brendan led the successful tendering of BP's audit services and joined the remuneration committee in 2017.

Paula Rosput Reynolds

Independent non-executive director

Tenure

Appointed 14 May 2015

Board and committee activities

Member of the audit and chairman's committees

Outside interests

- Non-executive director of BAE Systems Ltd
- Non-executive director of TransCanada Corporation
- Non-executive director of CBRE Group

Age 61 Nationality American

Career

Paula Rosput Reynolds is the former chairman, president and chief executive officer of Safeco Corporation, a Fortune 500 property and casualty insurance company that was acquired by Liberty Mutual Insurance Group in 2008. She also served as vice chair and chief restructuring officer for American International Group (AIG) for a period after the US government became the financial sponsor from 2008 to 2009.

Previously Paula was an executive in the energy industry. She was chairman, president and chief executive officer of AGL Resources Inc., an operator of natural gas infrastructure in the US, now a subsidiary of Southern Company. Prior to this, she led a subsidiary of Duke Energy Corporation that was a merchant operator of electricity generation. She commenced her energy career at PG&E Corp.

Paula was awarded the National Association of Corporate Directors (US) Lifetime Achievement Award in 2014.

Relevant skills and experience

Paula Rosput Reynolds has had a long career leading global companies in the energy and financial sectors. Her financial background and deep experience of trading makes her ideally suited to serve on the audit committee.

Her experience with international and US companies, including several restructuring processes and mergers, gives her insight into strategic and regulatory issues, which is an asset to the board.

Paula joined the remuneration committee in 2017. Paula currently serves as the chair of the remuneration committee of BAE Systems Ltd and will take the chair of BP's remuneration committee after the 2018 AGM.

Sir John Sawers

Independent non-executive director

Tenure

Appointed 14 May 2015

Board and committee activities

Chair of the geopolitical committee; member of the safety, ethics and environment assurance, nomination and chairman's committees

Outside interests

- Chairman and partner of Macro Advisory Partners LLP
- Visiting professor at King's College London
- Governor of the Ditchley Foundation

Age 62 Nationality British

Career

Sir John Sawers spent 36 years in public service in the UK, working on foreign policy, international security and intelligence.

Sir John was chief of the Secret Intelligence Service, MI6, from 2009 to 2014 – a period of international upheaval and growing security threats, as well as closer public scrutiny of the intelligence agencies. Prior to that, the bulk of his career was in diplomacy, representing the British government around the world and leading negotiations at the UN, in the European Union and in the G8. He was the UK ambassador to the United Nations (2007-09), political director and main board member of the Foreign Office (2003-07), special representative in Iraq (2003), ambassador to Egypt (2001-03) and foreign policy adviser to the Prime Minister (1999-01). Earlier in his career, he was posted to Washington, South Africa, Syria and Yemen.

Sir John is now chairman of Macro Advisory Partners, a firm that advises clients on the intersection of policy, politics and markets.

Relevant skills and experience

Sir John Sawers' deep experience of international political and commercial matters is an asset to the board in navigating the geopolitical issues faced by a modern global company. Sir John brings a unique perspective and broad experience which makes him ideal to lead the geopolitical committee. His knowledge and skills related to analysing and negotiating on a worldwide basis are invaluable to both the board and the SEEAC.

David Jackson

Company secretary

Tenure

Appointed 2003

David Jackson, a solicitor, is a director of BP Pension Trustees Limited.

The ages of the board are correct as at 29 March 2018.

Executive team

As at 29 March 2018

Tufan Erginbilgic

Chief executive, Downstream

Executive team tenure

Appointed 1 October 2014

Outside interests

- Independent non-executive director of GKN plc
- Member of the Turkish-British Chamber of Commerce & Industry Board of Directors
- Member of the Strategic Advisory Board of the University of Surrey



Age 58 Nationality British and Turkish

Career

Tufan Erginbilgic was appointed chief executive, Downstream on 1 October 2014.

Prior to this, Tufan was the chief operating officer of the fuels business, accountable for BP's fuels value chains worldwide, the global fuels businesses and the refining, sales and commercial optimization functions for fuels. Tufan joined Mobil in 1990 and BP in 1997 and has held a wide variety of roles in refining and marketing in Turkey, various European countries and the UK.

In 2004 he became head of the European fuels business. Tufan took up leadership of BP's lubricant business in 2006 before moving to head the group chief executive's office. In 2009 he became chief operating officer for the eastern hemisphere fuels value chains and lubricants businesses.

Bob Fryar

Executive vice president, safety and operational risk

Executive team tenure

Appointed 1 October 2010

Outside interests

No external appointments

Age 54 Nationality American



Career

Bob Fryar is responsible for strengthening safety, operational risk management and the systematic management of operations across the BP group. He is group head of safety and operational risk, with accountability for group-level disciplines including engineering, health, safety, security, remediation management and the environment. In this capacity, he looks after the group-wide operating management system implementation and capability programmes.

Bob has over 30 years' experience in the oil and gas industry, having joined Amoco Production Company in 1985. Between 2010 and 2013, Bob was executive vice president of the production division, accountable for safe and compliant exploration and production operations and stewardship of resources across all regions.

Prior to this, Bob was chief executive of BP Angola and also held several management positions in Trinidad, including chief operating officer for Atlantic LNG and vice president of operations. Bob has also served in a variety of engineering and management positions in onshore US and the deepwater Gulf of Mexico.

Andy Hopwood

Executive vice-president, chief operating officer, strategy and regions, Upstream

Executive team tenure

Appointed 1 November 2010

Outside interests

No external appointments

Age 60 Nationality British



Career

Andy Hopwood is responsible for BP's upstream strategy, portfolio and leadership of its global regional presidents.

Andy joined BP in 1980, spending his first 10 years in operations in the North Sea, Wytch Farm and Indonesia. In 1989 Andy joined the corporate planning team formulating BP's upstream strategy and subsequent portfolio rationalization. Andy held commercial leadership positions in Mexico and Venezuela before becoming the Upstream's planning manager.

Following the BP-Amoco merger, Andy spent time leading BP's businesses in Azerbaijan, Trinidad & Tobago and onshore North America. In 2009 he joined the Upstream executive team as head of portfolio and technology and in 2010 was appointed executive vice president, exploration and production.

Bernard Looney

Chief executive, Upstream

Executive team tenure

Appointed 1 November 2010

Outside interests

- Fellow of the Royal Academy of Engineering
- Member of the Stanford University Graduate School of Business Advisory Council
- Fellow of the Energy Institute

Age 47 Nationality Irish



Career

Bernard Looney is responsible for the Upstream segment which consists of exploration, development and production.

Bernard joined BP in 1991 as a drilling engineer, working in the North Sea, Vietnam and the Gulf of Mexico. In 2005 he became senior vice president for BP Alaska before becoming head of the group chief executive's office in 2007.

In 2009 he became the managing director of BP's North Sea business in the UK and Norway. At the same time, Bernard became a member of the Oil & Gas UK Board. He became executive vice president, developments, in October 2010, and in February 2013 became chief operating officer, production, serving in the role until April 2016.

Lamar McKay

Deputy group chief executive

Executive team tenure
Appointed 16 June 2008

Outside interests
No external appointments

Age 59 Nationality American



Career

Lamar McKay is accountable for group strategy and long-term planning, safety and operational risk and group technology. In addition to supporting the group chief executive, he also focuses on various corporate governance activities including ethics and compliance.

Lamar started his career in 1980 with Amoco and held a range of technical and leadership roles.

During 1998 to 2000, he worked on the BP-Amoco merger and served as head of strategy and planning for the exploration and production business. In 2000 he became business unit leader for the central North Sea. In 2001 he became chief of staff for exploration and production, and subsequently for BP's deputy group chief executive. Lamar became group vice president, Russia and Kazakhstan in 2003. He served as a member of the board of directors of TNK-BP between February 2004 and May 2007.

In 2007 he was appointed executive vice president, BP America. In 2008 he became executive vice president, special projects where he led BP's efforts to restructure the governance framework for TNK-BP. In 2009 Lamar was appointed chairman and president of BP America, serving as BP's chief representative in the US. In January 2013, he became chief executive, Upstream, responsible for exploration, development and production, serving in the role until April 2016.

Eric Nitcher

Group general counsel

Executive team tenure
Appointed 1 January 2017

Outside interests
No external appointments

Age 55 Nationality American



Career

Eric Nitcher is responsible for legal matters across the BP group.

Eric began his career in the late 1980s working as a litigation and regulatory lawyer in Wichita, Kansas. He joined Amoco in 1990 and over the years has held a wide variety of roles, both within and outside the US.

In 2000, Eric moved to London to work in the mergers and acquisitions legal team where he played a key role in the formation of the Russian joint venture TNK-BP. Eric returned to Houston in 2007 where he served as special counsel and chief of staff to BP America's chairman and president.

Most recently he played a leading role in the settlement of the Deepwater Horizon government claims and resolution of most of the remaining private claims being litigated in New Orleans.

The executive team represents the principal executive leadership of the BP group. Its members include BP's executive directors (Bob Dudley and Dr Brian Gilvary whose biographies appear on pages 61-65) and the senior management listed on these pages. The ages of the executive team are correct as at 29 March 2018.

Dev Sanyal

Chief executive, alternative energy and executive vice president, regions

Executive team tenure
Appointed 1 January 2012

Outside interests

- Independent non-executive director of Man Group plc
- Member of the Accenture Global Energy Board
- Member, International Advisory Board of the Ministry of Petroleum and Natural Gas, Government of India
- Member of the Board of Advisors of the Fletcher School of Law and Diplomacy, Tufts University

Age 52 Nationality British and Indian



Career

Dev Sanyal is responsible for alternative energy and for the Europe and Asia regions and functionally for risk management, government and political affairs, economics and policy.

Dev joined BP in 1989 and has held a variety of international roles in London, Athens, Istanbul, Vienna and Dubai. He was general manager, Former Soviet Union and Eastern Europe, prior to being appointed chief executive, BP Eastern Mediterranean Fuels in 1999.

In November 2003 he was appointed chief executive officer of Air BP International and in June 2006 was appointed head of the group chief executive's office. He was appointed group vice president and group treasurer in 2007. During this period, he was also chairman of BP Investment Management Ltd and was accountable for the group's aluminium interests. Until April 2016, Dev was executive vice president, strategy and regions.

Helmut Schuster

Executive vice president, group human resources

Executive team tenure
Appointed 1 March 2011

Outside interests

- Non-executive director of Ivoclar Vivadent AG, Germany

Age 57 Nationality Austrian



Career

Helmut Schuster became group human resources (HR) director in March 2011. In this role he is accountable for the BP human resources function.

He completed his post graduate diploma in international relations and his PhD in economics at the University of Vienna and then began his career working for Henkel in a marketing capacity. Since joining BP in 1989 Helmut has held a number of leadership roles. He has worked in BP in the US, UK and continental Europe and within most parts of refining, marketing, trading and gas and power.

Before taking on his current role, his portfolio of responsibilities as vice president, HR included the refining and marketing segment of BP and corporate and functions. That role saw him leading the people agenda for roughly 60,000 people across the globe that included businesses such as petrochemicals, fuels value chains, lubricants and functional experts across the group.

Outside of his role, Helmut is a non-executive director of Ivoclar Vivadent. Additionally, he is an alumni and advocate of AFS, an international exchange organization.

Executive management teams

Upstream

1. Andy Hopwood

Chief operating officer, strategy and regions

2. James Dupree

Chief operating officer, developments and technology

3. Kerry Dryburgh

Head of human resources

4. Tony Brock

Head of safety and operational risk

5. Bernard Looney

Chief executive

6. Murray Auchincloss

Chief financial officer

7. Nigel Jones

Associate general counsel

8. Gordon Birrell

Chief operating officer, production, transformation and carbon



Other business and functions leaders

1. David Eyton

Group head of technology

2. Dominic Emery

Vice president, group strategic planning

3. Laura Folse

Chief executive officer, wind, alternative energy

4. Richard Hookway

Chief operating officer of global business services and information technology and systems

5. David Jardine

Group head of audit

6. Robert Lawson

Global head of mergers and acquisitions

7. Dev Sanyal

Chief executive, alternative energy and executive vice president, regions

8. Joan Wales

Head of safety and operational risk, alternative energy

9. Craig Marshall

Group head of investor relations

10. Spencer Dale

Group chief economist

11. Geoff Morrell

Group head of communications and external affairs

12. Lucy Knight

Human resources vice president, corporate business activities and functions

13. Trudi Charles

Associate general counsel, integrated supply and trading



Our diverse and talented leaders have a wide range of skills and disciplines that support our executive team's work. These include experts in fields such as renewable energy, finance, trading, technology and digital, and tax and treasury. Job titles correct as at 1 January 2018.

Downstream

1. Rita Griffin
Chief operating officer, petrochemicals

2. Mike O'Sullivan
Chief financial officer

3. Michael Sosso
Associate general counsel, downstream and BP shipping

4. Doug Sparkman
Chief operating officer, fuels, North America

5. Angela Strank
Head of technology and BP chief scientist

6. Tufan Erginbilgic
Chief executive

7. Mandhir Singh
Chief operating officer, lubricants

8. Evelyn Gardiner
Head of human resources

9. Guy Moeyens
Chief operating officer, fuels, Europe and Southern Africa

10. Andy Holmes
Chief operating officer, fuels ASPAC and Air BP



14. David Anderson
Chief financial officer, alternative energy

15. Ashok Pillai
Vice president, group reward

16. Kate Thomson
Group treasurer

17. Rahul Saxena
Group ethics and compliance officer

18. Mario Lindenhayn
Chief executive officer, biofuels, alternative energy

19. Susan Dio
Chief executive officer, shipping

20. Jan Lyons
Group head of tax

21. Alan Haywood
Chief executive officer, integrated supply and trading

22. William Lin
Head of group chief executive's office

23. Carol Howle
Head of group chief executive's office

24. Camille Drummond
Head of global business services

25. David Bucknall
Group controller and chief financial officer, other businesses and corporate

26. Nick Wayth
Chief development officer, alternative energy



Introduction from the chairman



“

The board has a clear focus on the issues that are crucial to the long-term sustainability of the company.

”

The work of the board continued to progress in 2017. We focused on the development and implementation of our strategy out to 2021 that we communicated to investors last year. We have seen substantial variations in the oil price and have had to ensure that BP is robust for all financial cycles.

We believe there will be a continuing demand for hydrocarbons over the coming decades. Our strategy is designed to balance our role in supplying energy for the world with the growing need to be part of the transition to a lower carbon global economy. The board's focus has been on this dual challenge, which is crucial to the company's long-term sustainability.

The role of business in society remains a major issue which all boards must address. In the UK, the Financial Reporting Council has published its consultation on a material revision to the UK Corporate Governance Code. There is a clear emphasis on the need for boards to focus on their relationship with all those with whom the company comes into contact. In particular, boards are encouraged to ensure they find ways to hear the voice of the employee in the board room.

We are participating in this consultation and have already established a variety of ways to speak and listen to our employees around the world. We will need to ensure that all voices – those of shareholders, employees, customers and communities – find their way to the board. Our long-term investments and relationships in many countries have already helped with this.

Remuneration continued to be an area of focus in the year. We are grateful to our shareholders for their support of the remuneration report at the 2017 AGM. This was very important to us. The remuneration committee continued its work this year, as it implements the new policy and some legacy awards from the 2014 policy. The committee has again had some challenging decisions to take. Dame Ann Dowling will be standing down from the committee at the 2018 AGM after three years in the chair. I would like to thank her and pay tribute to her work. Paula Reynolds, already an experienced remuneration committee chair, will succeed Dame Ann.

I will be standing down as chairman at an appropriate time after the 2018 AGM. Ian Davis, the senior independent director, has already begun the search for my successor. I will have served as chairman for almost nine years by the time I stand down.

The board has faced and risen to many challenges during that time and membership has evolved and remained balanced. I believe that we are well placed for the future – with the appropriate mix of skills, experience and diversity. Throughout I have wanted to ensure that we used our time wisely as it was essential that we had the space in our meetings to discuss strategy and the direction of the company. In 2010 we formed the Gulf of Mexico committee, originally to have oversight of our commitment on the ground following the accident. The work of this committee evolved into considering the reports on the causes of the accident and subsequently leading the work around the ensuing litigation. The committee sat for five years. We also formed a special committee to oversee negotiations in Russia which eventually led to our equity ownership in Rosneft. This experience led to the formation of the geopolitical committee which is now well in its stride.

We have used the evaluations of the board and the committees to ensure that we have been focusing on the right issues and adding value. I am pleased that over the summer we will be carrying out an externally facilitated evaluation, which I am sure will assist my successor.

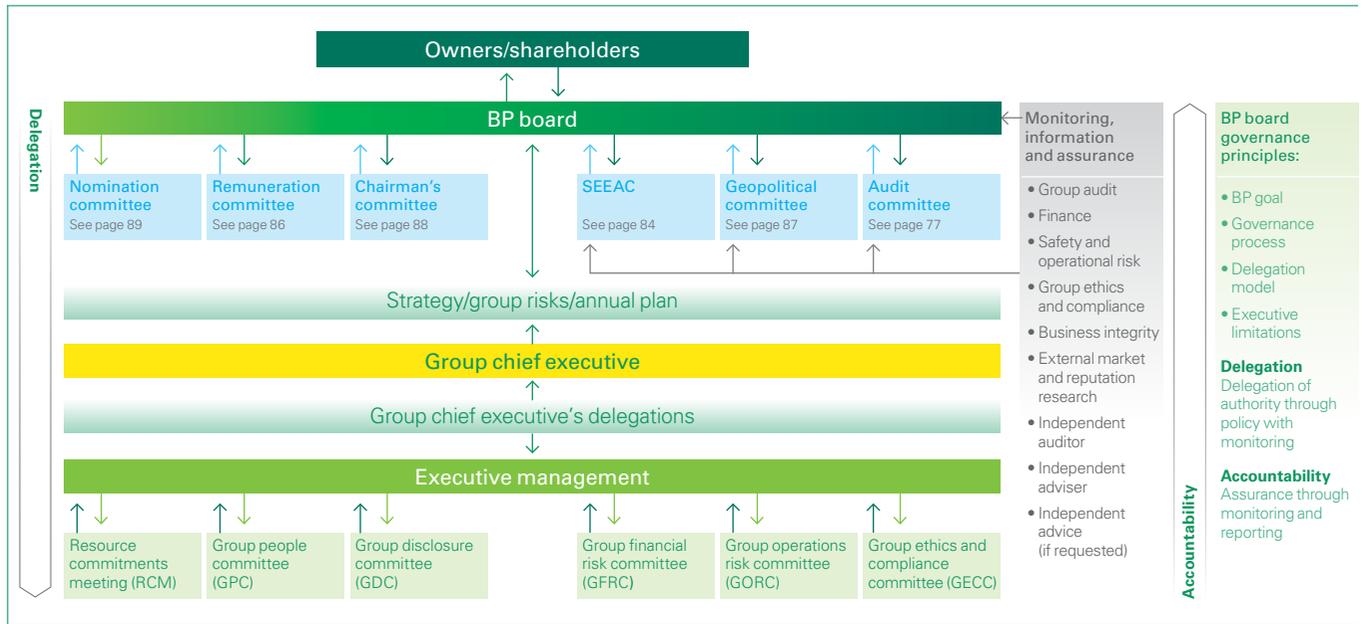
I am very grateful to Bob, his executive colleagues and all my fellow directors for all the work that they have done during the year. BP has an exciting future and we have the right team to take advantage of the opportunities that it will bring.

Carl-Henric Svanberg
Chairman

BP governance framework

The board operates within a system of governance that is set out in the BP board governance principles. These principles define the role of the board, its processes and its relationship with executive management.

This system is reflected in the governance of the group's subsidiaries. [See bp.com/governance](http://bp.com/governance) for the board governance principles.



Board and committee attendance in 2017

	Board		Audit committee		SEEAC		Joint audit/SEEAC		Remuneration committee		Geopolitical committee		Nomination committee		Chairman's committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Non-executive directors																
Carl-Henric Svanberg*	11	11														
Nils Andersen	11	11	13	13			4	4							7	7
Paul Anderson	11	11			6	6	4	4			3	3			10	10
Alan Boeckmann*	11	10			6	6	4	4	8	7			3	3	10	10
Frank Bowman	11	11			6	6	4	4			3	3			10	10
Cynthia Carroll	5	5			2	1	1	1			1	0			3	2
Ian Davis	11	11							8	8	3	3	3	3	10	10
Ann Dowling*	11	11			6	6	4	4	8	8			3	3	10	10
Melody Meyer	6	6			4	4	3	3			2	2			7	7
Brendan Nelson*	11	11	13	13			4	4	4	4					10	10
Paula Rosput Reynolds	11	10	13	13			4	3	2	2					10	9
John Sawers*	11	11			6	6	4	4			3	3	3	3	10	10
Andrew Shilston	5	4	5	5			1	1	4	4	1	1	1	1	3	3
Executive directors	A	B														
Bob Dudley	11	11														
Brian Gilvary	11	11														

A = Total number of meetings the director was eligible to attend.

B = Total number of meetings the director did attend.

* Committee chair.

Nils Andersen did not attend meetings of the chairman's committee when succession was discussed.

Alan Boeckmann missed the telephone meetings of the board and remuneration committee that had been called at short notice, due to a clash with another board.

Paula Reynolds missed a board, joint audit-SEEAC and chairman's committee meeting due to travel arrangements.

Cynthia Carroll missed a SEEAC, geopolitical committee and chairman's committee meeting due to a clash with an external commitment.

Andrew Shilston missed a board meeting immediately prior to the 2017 AGM as he was retiring from the board.

Board activity in 2017

Role of the board

The board is responsible for the overall conduct of the group's business. Directors have duties under both UK company law and BP's Articles of Association. The primary tasks of the board include:

Active consideration and direction of long-term strategy and approval of the annual plan	Monitoring of BP's performance against the strategy and plan	Ensuring that the principal risks and uncertainties to BP are identified and that systems of risk management and control are in place	Board and executive management succession
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Strategy	
<p>During the year the board provided input on the group's strategy to senior management. This included a two-day strategy session in September where it examined developments in the wider environment and debated strategic themes relating to BP's segments, key functions and the impact of the lower carbon transition on the group's business model. The board discussed the transition to a lower carbon world frequently during the year.</p>	<p>It received regular reports on the progress and implementation of the strategy – through updates from management and by means of a strategic performance scorecard which is discussed at each full board meeting.</p> <p>The board monitored the company's performance against the annual plan for 2017 and approved the forward framework for the annual plan in 2018.</p> <p>The board reviewed the <i>BP Energy Outlook</i>, updated in February 2018, which looks at long-term energy trends and projections for world energy markets.</p>

Performance and monitoring	
<p>The board reviews financial and operational performance at each meeting. It receives regular updates on the group's performance for the year across a range of metrics as well as the latest view on expected full-year delivery against external scorecard measures. Updates are also given on various components of value delivery for BP's business. Regular reports presented to the board include:</p> <ul style="list-style-type: none"> • Chief executive's report. • Group performance report. • Group financial outlook. • Effectiveness of investment review. • Quarterly and full-year results. • Shareholder distributions. 	<p>The board reviews the quarterly and full-year results, including the shareholder distribution policy. The 2017 annual report was assessed in terms of the directors' obligations and appropriate regulatory requirements.</p> <p>The board monitors employee opinion via an annual 'pulse' survey which includes measurement of how the BP values are incorporated into culture around our global operations.</p>

Risk	
<p>The board, either directly or through its monitoring committees, regularly reviews the processes whereby risks are identified, evaluated and managed.</p> <p>Activities include:</p> <ul style="list-style-type: none"> • Assessing the effectiveness of the group's system of internal control and risk management as part of the review of the <i>BP Annual Report and Form 20-F 2017</i>. • Identification and allocation of risks to the board and monitoring committees (the audit, SEEA and geopolitical committees) for 2017, and confirmation of the schedule for oversight. 	<p>The board reviewed the group risk of cyber security in 2017 – with the audit committee and SEEAC assessing elements of cyber security risk in their work programme for the year. The allocation of the group cyber security risk to the board (with additional monitoring by the audit and SEEA committees) remains unchanged for 2018.</p> <p>The group risks allocated to the committees for review over the year are outlined in the reports of the committees on pages 77-89.</p> <p>Further information on BP's system of risk management is outlined in <i>How we manage risk</i> on page 55. Information about BP's system of internal control is on page 113.</p>

Succession	
<p>The board, in conjunction with the nomination and chairman's committees, reviews succession plans for executive and non-executive directors on a regular basis. The board needs to ensure that potential candidates are identified and evaluated as current directors reach the end of their recommended term of office, including in the event of a director leaving unexpectedly.</p> <p>The board employs executive search firms when it concludes that this is an effective way of finding suitable candidates. In 2017 we appointed Egon Zehnder to assist in the search for non-executive directors.</p>	<ul style="list-style-type: none"> • Cynthia Carroll and Andrew Shilston stood down from the board at the 2017 AGM. • Melody Meyer was elected as a director at the 2017 AGM. On appointment she joined the SEEA and geopolitical committees. • Brendan Nelson and Paula Reynolds joined the remuneration committee in May and September 2017 respectively. • Paul Anderson will retire from the board at the 2018 AGM. • Ann Dowling will step down from the remuneration committee after the 2018 AGM, having served three years as chair, and Paula Reynolds will then assume the role.

Skills and expertise

In order to carry out its duties on behalf of shareholders, the board needs to manage its non-executive membership and continuously maintain its knowledge and expertise to benefit the business. It does this through four activity sets:

Succession planning to ensure future diversity and balance	Diversity including skills, experience, gender, ethnicity and tenure	Training including site visits and induction of new directors	Evaluation
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Background and diversity

Non-executive director	Background						Diversity		
	Oil & gas/ extractives/ energy	Engineering/ technology	Financial expertise	Safety	Brand/ marketing/ reputation	Regulatory/ government affairs	Female	Non UK/US	Tenure (years)
Nils Andersen	◆				◆			◆	2
Paul Anderson	◆			◆		◆			8
Alan Boeckmann	◆	◆		◆					4
Frank Bowman		◆		◆		◆			7
Ian Davis	◆				◆	◆			8
Ann Dowling		◆					◆		6
Melody Meyer	◆	◆		◆			◆		1
Brendan Nelson			◆			◆			7
Paula Reynolds	◆						◆		3
John Sawers				◆		◆			3
Carl-Henric Svanberg	◆					◆		◆	9

Diversity

BP recognizes the importance of diversity, including gender, at the board and all levels of the group. We are committed to increasing diversity across our operations and have a wide range of activities to support the development and promotion of talented individuals, regardless of gender and ethnic background.

The board operates a policy that aims to promote diversity in its composition. Under this policy, director appointments are evaluated against the existing balance of skills, knowledge and experience on the board, with directors asked to be mindful of diversity, inclusiveness and meritocracy considerations when examining nominations to the board. Implementation of this policy is monitored through agreed metrics. During its annual evaluation, the board considered diversity as part of the review of its performance and effectiveness.

At the end of 2017, there were three female directors (2016 3, 2015 3) on our board of 13. Our nomination committee actively considers diversity in seeking potential candidates for appointment to the board.

The board looked at gender and wider diversity across the group as part of its annual review of HR, capability and talent management.

The remuneration committee and the board reviewed and discussed BP's data and report on the UK gender pay gap prior to its publication in February 2018. Focus was given to the data in the report, and what action BP is taking to address the gap and the broader issue of diversity within the group.

Independence

Non-executive directors (NEDs) are expected to be independent in character and judgement and free from any business or other relationship that could materially interfere with exercising that judgement. It is the board's view that all NEDs, with the exception of the chairman, are independent.

The board is satisfied that there is no compromise to the independence of, and nothing to give rise to conflicts of interest for, those directors who serve together as directors on the boards of other entities or who hold other external appointments. The nomination committee keeps the other interests of the NEDs under review to ensure that the effectiveness of the board is not compromised.

Appointment and time commitment

The chairman and NEDs have letters of appointment. There is no term limit on a director's service, as BP proposes all directors for annual re-election by shareholders (a practice followed since 2004).

While the chairman's letter of appointment sets out the time commitment expected of him, those for NEDs do not set a fixed-time commitment, but instead set a general guide of between 30-40 days per year. The time required of directors may fluctuate depending on demands of BP business and other events. They are expected to allocate sufficient time to BP to perform their duties effectively and make themselves available for all regular and ad hoc meetings.

Executive directors are permitted to take up one external board appointment, subject to the agreement of the chairman. Fees received for an external appointment may be retained by the executive director and are reported in the directors' remuneration report (see page 90).

Neither the chairman nor the senior independent director are employed as an executive of the group.

Training and induction

To help develop an understanding of BP's business, the board continues to build its knowledge through briefings and site visits. In 2017 the board received training on ethics and compliance.

NEDs are expected to visit at least one business a year as part of their learning programme. In 2017 the board visited the group's response information centre in Sunbury, operations of Aker in Norway and the trading business in London. Members of the SEEAC and other directors also visited the Cherry Point refinery in the US and the Glen Lyon FPSO vessel in the North Sea.

Newly appointed NEDs follow a structured induction process. This includes one-to-one meetings with management and the external auditors and also covers the board committees that they join.

Director induction programme



BP executives devoted substantial time to ensure a high quality induction.



Melody Meyer
Non-executive director

Melody Meyer, appointed in 2017, followed a tailored induction process, which also covered the SEEAC and geopolitical committee. The programme of topics included:

Board and governance

- BP's board governance model, directors' duties, interests and potential conflicts.

Business introduction

- BP's business
- Upstream (exploration, development, production, overview of our operations)
- Downstream (refining, marketing and lubricants)
- Alternative Energy
- Strategy and planning
- Lower carbon transition
- BP's performance relative to its competitors.

Functional input

- Human resources, including capability and reward
- Ethics and compliance
- Research and technology
- Investor relations
- Trading

- Communications and corporate reporting
- Group audit
- External audit
- BP women's network
- Legal.

SEEAC specific

- Safety and operational risk (S&OR), BP's operating management system★ (OMS) and environmental performance
- Operational, safety and environmental reporting
- Group security and crisis management.

Geopolitical committee specific

- BP's regional businesses
- Government affairs.

Board evaluation

BP undertakes an annual review of the board, its committees and individual directors. The chairman's performance is evaluated by the chairman's committee and his evaluation is led by the senior independent director. The evaluation operates on a three-year cycle, with one externally led evaluation followed by two subsequent years of internal evaluations carried out using a questionnaire prepared by an external facilitator.

Activity following prior year evaluation

Actions arising from the 2016 evaluation and how these were addressed included:

- **Focus on implementing the strategy, in particular the opportunities relating to the transition to a lower carbon economy:** reporting on the implementation of the strategy was further developed and as a result the board receives updates from management and a strategic progress report at each meeting. The board held a number of discussions on the transition to a lower carbon economy, including a session at the strategy away day, with further sessions scheduled for 2018. The group's quarterly results announcement was amended in 2017 to include narrative on the implementation of strategy.
- **More detailed examination of the financial performance of the business, in particular capital allocation and returns:** the board discusses financial performance at each board meeting and reviews the proposed disclosures and investor presentation for each quarter's results. A return on average capital employed measure was included in the 2017 remuneration policy and the board reviews this as part of its performance monitoring. A review of the group's capital allocation process and investment effectiveness was also held during the year.
- **Obtaining a better understanding of the group's ability to effectively deliver the strategy, including technology, digital and big data:** this included a deep dive into technology trends and their potential impact on the group's business model.
- **Bringing wider perspectives into the board room and gaining deeper insight into shareholder views:** the board considered output from BP's remuneration engagement programme as well as broader governance issues from investor meetings held throughout the year. Feedback from institutional investors on the group's performance and strategy – compiled by an independent third party – was discussed with the board following the strategy update.
- **Continued emphasis on improving operational excellence:** the board received data and commentary on BP's operations through monthly reports and updates from management; and operational measures were included in the annual bonus scorecard as part of the remuneration assessment for the year.

2017 evaluation

The evaluation was undertaken through a questionnaire facilitated by an external consultant (Lintstock) and individual interviews between the chairman and each director. The results of the evaluation and feedback from the interviews were collectively discussed by the board including:

- **Investment decisions:** continue focusing on capital allocation and the way in which investment decisions are taken.
- **Longer-term vision and strategy:** extend the timeframe of strategic discussions, including challenges faced by BP's core business and the lower carbon transition.
- **Geopolitics:** consider how to further optimize the output of the work undertaken by the board, geopolitical committee and the international advisory board.
- **Improve the board's understanding of employees' views:** expand the existing ways employee views are disseminated to the board to include more local and business based feedback.

Site visits

Non-executive directors are expected to visit at least one business per year, as part of their learning programme. In 2017 the board visited partner operations in Tranby, Norway and BP's trading business in London. Members of the SEEAC and other directors visited operations in the North Sea and Washington state, and the audit committee visited our global business services offices in Hungary. The board met local management at each visit, and after each one, the board or appropriate committee was briefed on the impressions gained by the directors during the visit.

Tranby, Norway

The board visited Aker's Tranby technology centre near Oslo to see the manufacture of subsea well heads and the research and development centre. The Tranby site has been an established centre of excellence for subsea equipment manufacturing for over a decade.

The board heard about the research being undertaken in subsea trees, workover systems and subsea pumps and saw new digital technologies to integrate engineering and manufacturing processes being tested.



Washington state, US

Members of the SEEAC and other directors visited the Cherry Point refinery in Blaine, Washington in June. The visit focused on operating procedures and safety and risk mitigation. Investment was discussed, including technology enhancements to produce ultra-low sulphur diesel, increasing logistical optionality and a coker heater project. Other discussions included the cultural and environmental outreach projects in the area.

They also took a tour of the refinery, control room, the operator training simulator and dock area.

North Sea, UK

In July members of the SEEAC and other directors visited Glen Lyon – the floating, production, storage and offloading vessel for our Quad 204 major project start-up in the North Sea. The committee was the first to visit the vessel following production start-up.

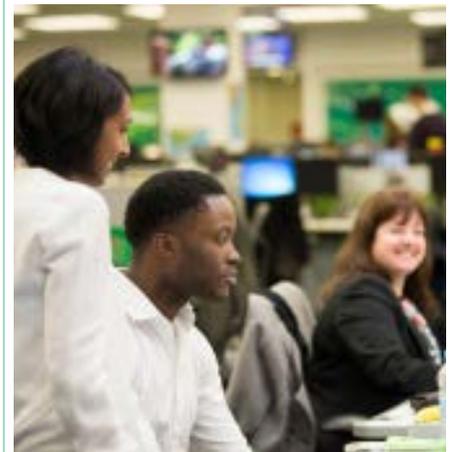
Discussions on board the vessel covered project completion and future plans including reviews of production efficiency, operational management, safety, risk mitigation and OMS conformance. They also visited key areas of the vessel including the control room and riser tower.



Global business services, Hungary

The audit committee visited BP's global business service (GBS) centre located in Budapest in September, where standardized business services including finance, procurement, HR, trading settlement and tax are delivered for businesses across the BP group.

The committee received presentations on the GBS strategy, business model and controls framework. They also met local staff across a range of job levels, including those involved in diversity and inclusion initiatives such as LGBT and working parent programmes.



Integrated supply and trading, London

Members of the board visited BP's trading operations in London in December to gain an insight into the group's approach to trading, oil and gas market fundamentals, risk profile and strategy. Directors received presentations from traders and originators on the trading floor and deepened their understanding of the group's oil products and LNG business models.

Shareholder engagement

Institutional investors

The company operates an active investor relations programme. The board receives feedback on shareholder views through results of an anonymous investor audit and reports from management and those directors who meet with shareholders each year. In 2017 the chair of the remuneration committee undertook extensive engagement on the new remuneration policy prior to the AGM in May (see the remuneration committee report on page 86). The chair of the audit committee and the senior independent director also held one-to-one meetings with institutional investors during the year.

Senior management regularly meets with institutional investors through roadshows, group and one-to-one meetings, events for socially responsible investors (SRIs) and oil and gas sector conferences throughout the year.

In April the chairman and all board committee chairs held an annual investor event. This meeting enabled BP's largest shareholders to hear about the work of the board and its committees and for NEDs to engage with investors.

i See bp.com/investors for investor and strategy presentations, including the group's financial results and information on the work of the board and its committees.

Shareholder engagement cycle 2017



Private investors

BP held a further event for private investors in conjunction with the UK Shareholders' Association (UKSA) in 2017. The chairman and head of investor relations gave presentations on BP's annual results, strategy and the work of the board. Shareholders' questions were focused on BP's activities and performance.

AGM

Voting levels decreased in 2017 to 50.8% (of issued share capital, including votes cast as withheld), compared to 64.3% in 2016 and 62.3% in 2015. We believe this drop in vote levels was due to the late return of BP stock on loan, with voting deadlines for some custodians coinciding with the date that BP shares went 'ex-dividend'. The company is looking at future AGM voting deadlines against its financial calendar to mitigate this event recurring.

All resolutions were passed at the meeting. Each year the board receives a report after the AGM giving a breakdown of the votes and investor feedback on their voting decisions to inform them on any issues arising.

UK Corporate Governance Code compliance

BP complied throughout 2017 with the provisions of the UK Corporate Governance Code except in the following aspects:

- B.3.2** Letters of appointment do not set out fixed-time commitments since the schedule of board and committee meetings is subject to change according to the demands of business and other events. Our letters of appointment set a general guide of a time commitment of between 30-40 days per year. All directors are expected to demonstrate their commitment to the work of the board on an ongoing basis. This is reviewed by the nomination committee in recommending candidates for annual re-election.
- D.2.2** The remuneration of the chairman is not set by the remuneration committee. Instead, the chairman's remuneration is reviewed by the remuneration committee which makes a recommendation to the board as a whole for final approval, within the limits set by shareholders. This wider process enables all board members to discuss and approve the chairman's remuneration, rather than solely the members of the remuneration committee.

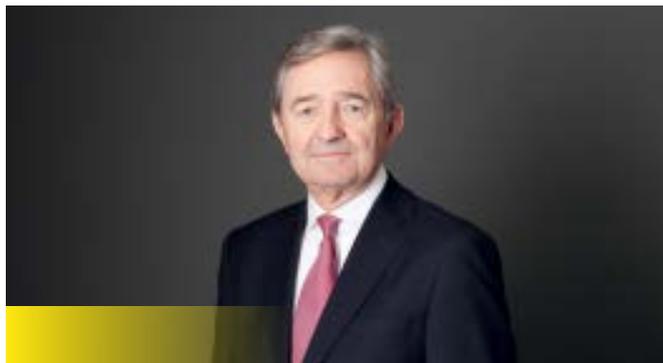
International advisory board

BP's international advisory board (IAB) advises the chairman, group chief executive and the board on geopolitical and strategic issues relating to the company. This group meets once or twice a year and between meetings IAB members remain available to provide advice and counsel when needed.

The IAB was chaired by BP's previous chairman, the late Peter Sutherland. Its membership in 2017 comprised Lord Patten of Barnes, Josh Bolten, President Romano Prodi, Dr Ernesto Zedillo and Dr Javier Solana. The chairman, chief executive and Sir John Sawers attend meetings of the IAB. Issues discussed in 2017 included the global economy, developments in the Middle East, political events in Latin America and the political and economic outlook in the US. The IAB discussed the UK's potential exit from the European Union at both of its meetings during 2017.

Committee reports

Audit committee



66

The committee continued to review the integrity of the group's disclosures by challenging and debating the judgements made by management.

99

Chairman's introduction

Last year's report highlighted our monitoring of the group's financial performance in light of the demanding external environment. While this focus remains, the committee has continued to review the integrity of the group's financial reporting by challenging and debating the judgements made by management, including the estimates which are made. We receive reports from management and the external auditor each quarter highlighting significant accounting issues and judgements and have used these to inform our debate on whether BP's financial reporting is 'fair, balanced and understandable'.

In 2017 the committee focused on the effectiveness of the group audit function. We reviewed its longer-term vision and capability and oversaw an externally facilitated review of its performance, the results of which we discussed in a joint session with colleagues from the SEEAC. We will continue to focus on the actions arising from the review in 2018.

Following the 2016 tender process for the statutory audit, the committee has overseen the transition to Deloitte from EY in time for 2018. We met with both EY and Deloitte during 2017 and monitored Deloitte's progress towards independence in time for their 'shadowing' of the 2017 year-end audit.

The committee visited one of the group's global business service centres, located in Budapest, enabling us to see first hand the work undertaken by this growing part of BP's operations and to meet local staff. We found this direct contact added an important additional dimension to our review and understanding, and intend to hold further site visits in 2018.

Andrew Shilston retired from the committee in May 2017. I would like to thank Andrew for his service to the committee, and for the challenge and perspective he provided as a member.

Brendan Nelson
Committee chair

Role of the committee

The committee monitors the effectiveness of the group's financial reporting, systems of internal control and risk management and the integrity of the group's external and internal audit processes.

Key responsibilities

- Monitoring and obtaining assurance that the management or mitigation of financial risks is appropriately addressed by the group chief executive and that the system of internal control is designed and implemented effectively in support of the limits imposed by the board ('executive limitations'), as set out in the BP board governance principles.
- Reviewing financial statements and other financial disclosures and monitoring compliance with relevant legal and listing requirements.
- Reviewing the effectiveness of the group audit function, BP's internal financial controls and systems of internal control and risk management.
- Overseeing the appointment, remuneration, independence and performance of the external auditor and the integrity of the audit process as a whole, including the engagement of the external auditor to supply non-audit services to BP.
- Reviewing the systems in place to enable those who work for BP to raise concerns about possible improprieties in financial reporting or other issues and for those matters to be investigated.

Members

Brendan Nelson	Member since November 2010 and chair since April 2011
Nils Andersen	Member since October 2016
Paula Reynolds	Member since May 2015
Andrew Shilston	Member since February 2012; retired May 2017

Brendan Nelson is chair of the audit committee. He was formerly vice chairman of KPMG and president of the Institute of Chartered Accountants of Scotland. Currently he is chairman of the group audit committee of The Royal Bank of Scotland Group plc and a member of the Financial Reporting Review Panel. The board is satisfied that he is the audit committee member with recent and relevant financial experience as outlined in the UK Corporate Governance Code and competence in accounting and auditing as required by the FCA's Corporate Governance Rules in DTR7. It considers that the committee as a whole has an appropriate and experienced blend of commercial, financial and audit expertise to assess the issues it is required to address, as well as competence in the oil and gas sector. The board also determined that the audit committee meets the independence criteria provisions of Rule 10A-3 of the US Securities Exchange Act of 1934 and that Brendan may be regarded as an audit committee financial expert as defined in Item 16A of Form 20-F.

Meetings and attendance

There were 13 committee meetings in 2017, of which six were by teleconference. All directors attended every meeting during the period in which they were committee members.

Regular attendees at the meetings include the chief financial officer, group controller, chief accounting officer, group head of audit and external auditor.

Activities during the year

Financial disclosure

The committee reviewed the quarterly, half-year and annual financial statements with management, focusing on the:

- Integrity of the group's financial reporting process.
- Clarity of disclosure.
- Compliance with relevant legal and financial reporting standards.
- Application of accounting policies and judgements.

As part of its review, the committee received quarterly updates from management and the external auditor in relation to accounting judgements and estimates including those relating to the Gulf of Mexico oil spill, recoverability of asset carrying values and other matters.

The committee keeps under review the frequency of reporting during the year.

The committee reviewed the assessment and reporting of longer-term viability, risk management and the system of internal control, including the reporting and categorization of risk across the group and the examination of what might constitute a significant failing or weakness in the system of internal control. It also examined the group's modelling for stress testing different financial and

operational events, and considered whether the period covered by the company's viability statement was appropriate.

The committee considered the *BP Annual Report and Form 20-F 2017* and assessed whether the report was fair, balanced and understandable and provided the information necessary for shareholders to assess the group's position and performance, business model and strategy. In making this assessment, the committee examined disclosures during the year, discussed the requirement with senior management, confirmed that representations to the external auditors had been evidenced and reviewed reports relating to internal controls. The committee made a recommendation to the board, who in turn reviewed the report as a whole, confirmed the assessment and approved the report's publication.

Other disclosures reviewed included:

- Oil and gas reserves.
- Pensions and post-retirement benefits assumptions.
- Risk factors.
- Legal liabilities.
- Tax strategy.
- Going concern.

Risk reviews

The principal risks allocated to the audit committee for monitoring in 2017 included those associated with:

Trading activities: including risks arising from shortcomings or failures in systems, risk management methodology, internal control processes or employees.

In reviewing this risk, the committee focused on external market developments and how BP's trading function had responded – including new areas of activity and impacts on the control environment.

The committee further considered updates in the trading function's risk management programme, including compliance with regulatory developments and activities in response to cyber threats.

Compliance with applicable laws and regulations: including ethical misconduct or breaches of applicable laws or regulations that could damage BP's reputation, adversely affect operational results and/or shareholder value and potentially affect BP's licence to operate.

The committee reviewed key areas of BP's ethics and compliance programme, including the integration of the business integrity and ethics and compliance functions, development of the anti-bribery and corruption elements of the programme, enhanced policies, tools and training and strengthening of counterparty risk measures, including due diligence.

Security threats against BP's digital infrastructure: including inappropriate access to or misuse of information and systems and disruption of business activity.

The committee reviewed changes in the cyber security landscape, including events in the oil and gas industry and within BP itself. The review focused on the improvements made in managing cyber risk, including the application of the three lines of defence model and examining the indicators associated with risk management and barrier performance.

Financial resilience: including the risk associated with external market conditions, supply and demand and prices achieved for BP's products which could impact financial performance.

The committee reviewed the key price assumptions used by the group for investment appraisal and the judgements underlying those proposals, the cost of capital and its application as a discount rate to evaluate long-term BP business projects, liquidity (including credit rating, hedging, long-term commercial commitments and credit risk) and the effectiveness and efficiency of the capital investment into major projects★.

BP's principal risks are listed on page 57.

For 2018, the board has agreed that the committee will continue to monitor the same four group risks as for 2017. The group risk financial resilience has been renamed 'financial liquidity' for 2018.

Other reviews

Other reviews undertaken in 2017 by the committee included:

- Downstream: including strategy and strategic progress, financial performance, risk management and controls, audit findings, key litigation and ethics and compliance findings.
- Upstream: including vision and priorities, structure and portfolio, financial controls and the balance sheet, an overview of intangible assets and a review of the segment's finance organization.
- Shipping: including an overview of BP shipping's role and operating model, financial performance, strategy, risk management and controls and the impact of IFRS 16 (lease accounting standard).
- Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD): the origin, purpose and work of the TCFD along with its key recommendations and how BP's existing reporting compares to these

recommendations, see page 50.

- Non-operating items (NOIs): BP's policy for identifying and categorizing NOIs and an analysis of those NOIs impacting BP's reported results.
- Blockchain: introduction to blockchain technology, its potential impacts on the oil and gas industry and an overview of BP's participation and approach to date.
- Capability and succession in BP's finance function, including the group's finance modernization programme.
- Assessment of financial metrics for executive remuneration: consideration of financial performance for the group's 2017 annual cash bonus scorecard and performance share plan, including adjustments to plan conditions and NOIs.

Internal control and risk management

The committee received quarterly reports on the findings of group audit in 2017. It reviewed group audit's vision for 2020, including the roadmap for 2017 and beyond. The committee met privately with the group head of audit and key members of his leadership team.

The committee oversaw an external review of the effectiveness of the group audit function, which was awarded to Deloitte in July 2017 following a competitive tender process. Fieldwork and interviews with management and board members was completed by September 2017 and the results of the assessment were reviewed at a joint meeting of the audit and safety, ethics and environment assurance committees in December.

The review concluded that the group audit function:

- Performed strongly across Deloitte's assessment framework.
- Demonstrated a high level of maturity when assessed against internal audit functions within large FTSE (non-financial services) companies.
- Had a remit covering all risk categories (financial and operational) – a breadth seen as leading practice.
- Had areas where continuous improvement activity and continued dialogue with the business could result in an even stronger performance.

Implementation of the agreed actions arising from the review will be tracked during 2018.

The audit committee also held private meetings with the group ethics and compliance officer during the year.

Training

The committee held a deep dive on reserves, covering resource definition and estimation, the group's governance processes, areas of focus for the regulator and how BP compared with its competitors in terms of approach. It received technical updates from the chief accounting officer on developments in financial reporting and accounting policy, including IFRS 9 'Financial Instruments', IFRS 15 Revenues from Contracts with Customers and IFRS 16 'Leases'.

Site visits

In September, the committee visited BP's global business services (GBS) centre in Hungary. During the visit the committee reviewed the function's strategy, context, and how it has grown in scope and scale. It looked at its risk management and controls processes, including understanding the risks around transition of activity from the business and the standardization of global processes. It also reviewed capability and human resources issues, including talent attraction and retention, met a range of staff and heard about the various GBS diversity programmes including LGBT, working parents and disability awareness.

In December, members of the committee and wider board visited BP's integrated supply and trading (IST) business in London for a day that covered oil and gas market fundamentals, finance and risk, IST's strategy, and presentations on oil products and LNG trading.

Accounting judgements and estimates

Areas of significant judgement considered by the committee in 2017 and how these were addressed included:

Key judgements and estimates in financial reporting	Audit committee activity	Conclusions/Outcomes
Gulf of Mexico oil spill		
BP uses judgement in relation to the recognition of provisions relating to the Gulf of Mexico oil spill. The timing and amounts of the remaining cash flows are subject to uncertainty and estimation is required to determine the amounts provided for.	<p>→ A review of the provisioning for and disclosure of uncertainties relating to the Gulf of Mexico oil spill was undertaken each quarter as part of the review of the stock exchange announcement.</p> <p>→ Particular focus was given to updates to the provision related to business economic loss (BEL) and other claims related to the Gulf of Mexico oil spill, including the continuing effect of the Fifth Circuit May 2017 opinion on the matching of revenues with expenses when evaluating BEL claims.</p>	<p>→ Following significantly higher average claims determinations issued by the Court Supervised Settlement Program (CSSP) in the fourth quarter 2017 and the continuing effect arising from the Fifth Circuit May 2017 opinion, BP recognized a post-tax charge of \$1.7 billion for BEL and other claims associated with the CSSP.</p> <p>→ Disclosure includes information on remaining uncertainties.</p>

Key judgements and estimates in financial reporting	Audit committee activity	Conclusions/Outcomes
Oil and natural gas accounting, including reserves		
<p>BP uses technical and commercial judgements when accounting for oil and gas exploration, appraisal and development expenditure and in determining the group's estimated oil and gas reserves.</p> <p>Reserves estimates based on management's assumptions for future commodity prices have a direct impact on the assessment of the recoverability of asset carrying values reported in the financial statements.</p> <p>Judgement is required to determine whether it is appropriate to continue to carry intangible assets related to exploration costs on the balance sheet.</p>	<p>→ Held an in-depth review of BP's policy and guidelines for compliance with oil and gas reserves disclosure regulation, including the group's reserves governance framework and controls.</p> <p>→ Reviewed exploration write-offs as part of the group's quarterly due diligence process.</p> <p>→ Received briefings on the status of upstream intangible assets, including the status of items on the intangibles assets 'watch-list'.</p> <p>→ Received the output of management's annual intangible asset certification process used to ensure accounting criteria to continue to carry the exploration intangible balance are met.</p>	<p>→ Exploration write-offs totalling \$1.6 billion were recognized during the year.</p> <p>→ Exploration intangibles totalled \$17.0 billion at 31 December 2017.</p>
Recoverability of asset carrying values		
<p>Determination as to whether and how much an asset, cash generating unit (CGU) or group of CGUs containing goodwill is impaired involves management judgement and estimates on uncertain matters such as future commodity pricing, discount rates, production profiles, reserves and the impact of inflation on operating expenses.</p> <p>Judgement is required in assessing the recoverability of overdue receivables, and deciding whether a provision is required.</p>	<p>→ Reviewed the group's oil and gas price assumptions.</p> <p>→ Reviewed the group's discount rates for impairment testing purposes.</p> <p>→ Upstream impairment charges, reversals and 'watch-list' items were reviewed as part of the quarterly due diligence process.</p> <p>→ Reviewed the group's credit risk management and reporting framework, including actual credit losses observed, expected loss delegations and utilization and changes in the credit portfolio quality.</p>	<p>→ The group's long-term price assumptions for Brent★ oil, and Henry Hub★ gas were unchanged from 2016.</p> <p>→ The group's discount rates used for impairment testing were also unchanged.</p> <p>→ Impairments of \$1.0 billion were recorded in the year, net of impairment reversals.</p> <p>→ The group had \$1.5 billion of receivables which were not impaired but past due at 31 December 2017.</p>
Investment in Rosneft		
<p>Judgement is required in assessing the level of control or influence over another entity in which the group holds an interest.</p> <p>BP uses the equity method of accounting for its investment in Rosneft and BP's share of Rosneft's oil and natural gas reserves is included in the group's estimated net proved reserves of equity-accounted entities.</p> <p>The equity-accounting treatment of BP's 19.75% interest in Rosneft continues to be dependent on the judgement that BP has significant influence over Rosneft.</p>	<p>→ Reviewed the judgement on whether the group continues to have significant influence over Rosneft.</p> <p>→ Considered IFRS guidance on evidence of significant influence, including representation on the board and participation in policy-making processes.</p> <p>→ Received reports from management and the external auditor which assessed the extent of significant influence, including BP's participation in decision making through the continued service on the Rosneft board and key board committees of two BP-nominated directors and work on significant transactions and projects. This assessment considered the appointment of two additional non-BP directors to the Rosneft board but concluded that the assessment of significant influence remained unchanged.</p>	<p>→ BP has retained significant influence over Rosneft throughout 2017 as defined by IFRS.</p>

Key judgements and estimates in financial reporting	Audit committee activity	Conclusions/Outcomes
Derivative contracts		
<p>In some instances, BP estimates the fair value of derivative contracts using internal models due to the absence of quoted market pricing or other observable, market-corroborated data.</p> <p>Judgement may also be required to determine whether contracts to buy or sell commodities meet the definition of a derivative.</p>	<p>→ Received a briefing on the group's trading risks and reviewed the system of risk management and controls in place, including those covering the valuation of derivative instruments, using models where observable market pricing is not available.</p> <p>→ The committee annually reviews the control process and risks relating to the trading business.</p>	<p>→ BP has assets and liabilities of \$7.1 billion and \$6.6 billion respectively recognized on the balance sheet for derivative contracts at 31 December 2017, mainly relating to the activities of the integrated supply and trading function (IST).</p> <p>→ BP's use of internal models to value certain of these contracts has been disclosed in Note 28 in the financial statements.</p>
Provisions		
<p>BP's most significant provisions relate to decommissioning, the Gulf of Mexico oil spill (see above), environmental remediation litigation.</p> <p>The group holds provisions for the future decommissioning of oil and natural gas production facilities and pipelines at the end of their economic lives. Most of these decommissioning events are many years in the future and the exact requirements that will have to be met when a removal event occurs are uncertain. Assumptions are made by BP in relation to settlement dates, technology, legal requirements and discount rates. The timing and amounts of future cash flows are subject to significant uncertainty and estimation is required in determining the amounts of provisions to be recognized.</p>	<p>→ Received briefings on decommissioning, environmental, asbestos and litigation provisions, including the requirements, governance and controls for the development and approval of cost estimates and provisions in the financial statements.</p> <p>→ Reviewed the group's discount rates for calculating provisions.</p>	<p>→ Decommissioning provisions of \$16.1 billion were recognized on the balance sheet at 31 December 2017.</p> <p>→ The discount rate used by BP to determine the balance sheet obligation at the end of 2017 was a real rate of 0.5% – based on long-dated US government bonds.</p>
Pensions and other post-retirement benefits		
<p>Accounting for pensions and other post-retirement benefits involves making estimates when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made about uncertain events, including discount rates, inflation and life expectancy.</p>	<p>→ Reviewed the group's assumptions used to determine the projected benefit obligation at the year end, including the discount rate, rate of inflation, salary growth and mortality levels.</p>	<p>→ The method for determining the group's assumptions remained largely unchanged from 2016. The values of these assumptions and a sensitivity analysis of the impact of possible changes on the benefit expense and obligation are provided in Note 22.</p> <p>→ At 31 December 2017, surpluses of \$4.2 billion and deficits of \$9.1 billion were recognized on the balance sheet in relation to pensions and other post-retirement benefits.</p>
Income taxes		
<p>Computation of the group's income tax expense and liability, the provisioning for potential tax liabilities and the level of deferred tax asset recognition are underpinned by management judgement and estimation of the amounts which could be payable.</p>	<p>→ Received regular updates on the group's tax exposures and deferred tax asset recognition.</p> <p>→ Reviewed the judgement exercised on tax provisioning, including any material changes to deferred tax asset recognition.</p> <p>→ Reviewed the accounting treatment of taxes relating to renewal of the Abu Dhabi onshore concession.</p> <p>→ Reviewed the estimated impact of tax reforms arising from the US Tax Cuts and Jobs Act.</p>	<p>→ Deferred tax assets amounting to \$4.5 billion were recognized on the balance sheet at 31 December 2017.</p> <p>→ As a result of changes in the fiscal terms of the Abu Dhabi onshore concession following its renewal, the group's taxes payable relating to the concession are now principally reported as income taxes rather than as production taxes.</p> <p>→ Changes to the US corporate tax system resulted in a one-off deferred tax charge of \$0.9 billion in the fourth quarter 2017 arising from a revaluation of BP's US deferred tax assets and liabilities.</p>

External audit

Audit risk

The external auditor set out its audit strategy for 2017, identifying key risks to be monitored during the year. These included:

- Determining the liabilities, contingent liabilities and disclosures arising from the Gulf of Mexico oil spill.
- Estimating oil and gas reserves and resources which has significant impact on the financial statements, particularly impairment testing and the calculation of depreciation, depletion and amortization.
- Monitoring for unauthorized trading activity in the trading function and its potential impact on revenue.

The committee received updates during the year on the audit process, including how the auditor had challenged the group's assumptions on these issues.

Audit fees

The audit committee reviews the fee structure, resourcing and terms of engagement for the external auditor annually; in addition it reviews the non-audit services that the auditor provides to the group on a quarterly basis.

Fees paid to the external auditor for the year were \$47 million (2016 \$47 million), of which 6% was for non-audit assurance work (see Financial statements – Note 34). The audit committee is satisfied that this level of fee is appropriate in respect of the audit services provided and that an effective audit can be conducted for this fee. Non-audit or non-audit related assurance fees were \$3 million (2016 \$2 million). The \$1 million increase in non-audit fees primarily relates to non-audit related assurance services, offset by a reduction in tax compliance services. Non-audit or non-audit related services consisted of other assurance services. There were no new services contracted for tax compliance and advisory services for 2017.

Audit effectiveness

The effectiveness, performance and integrity of the external audit process was evaluated through separate surveys for committee members and those BP personnel impacted by the audit, including chief financial officers, controllers, finance managers and individuals responsible for accounting policy and internal controls over financial reporting.

The survey sent to management comprised questions across five main criteria to measure the auditors' performance:

- Robustness of the audit process.
- Independence and objectivity.
- Quality of delivery.
- Quality of people and service.
- Value added advice.

Further questions were included on BP's attitude to the audit and the progress of the audit transition.

The 2017 evaluation concluded that the external auditor's performance had remained largely constant in key areas compared with the previous year. Areas with high scores and favourable comments included quality of accounting and auditing judgement, the working relationship with management and the insight brought through EY's audit work. Areas of focus included the need for innovation in the audit and consistency of audit practices in locations further away from the UK and US. A further focus was BP's assessment of its own performance in relation to the audit.

Results of the annual assessment were discussed with the external auditor who considered these themes for the 2017 audit service approach.

A key area of focus from 2016 related to audit team turnover, particularly for junior members of the teams. Actions taken over the year resulted in an improvement in the related score for continuity and retention of key members of the audit team in 2017.

The committee held private meetings with the external auditor during the year and the committee chair met separately with the external auditor and group head of audit before each meeting.

Audit transition

Deloitte was appointed for the statutory audit, with effect from 2018 following a tender process in 2016. The committee monitored the transition of BP's statutory auditor from EY to Deloitte, including activity to enable Deloitte to achieve independence by October 2017. This included:

- Receiving reports from the audit transition team, including an overview of operational activities and the termination of non-audit services being provided by Deloitte to BP – which would be prohibited when Deloitte becomes the group's statutory auditor. This included Deloitte stepping down as independent adviser to BP's remuneration committee.
- Requiring management to report to the committee on any services undertaken by the statutory auditor in line with the group's policies relating to non-audit services.
- Requiring confirmation of Deloitte's compliance with BP's independence and ethics and compliance rules.
- Inviting Deloitte to attend meetings of the audit committee, joint audit and SEEA committees and the board from October 2017 as part of its 'shadowing' of the audit of the third and fourth quarters 2017.

Deloitte confirmed its independence to the committee in October 2017. EY resigned on 29 March 2018 following completion of the 2017 audit. Deloitte will audit the 2018 financial year subject to shareholder approval at the 2018 AGM.

Changes in Registrant's Certifying Accountant

Following a competitive tender process and on the audit committee's recommendation, in November 2016 the board selected Deloitte as BP's independent external auditor for the financial year ending 31 December 2018. This change in external auditor is being made in accordance with UK and EU law requirements – in particular, the UK Corporate Governance Code and the reforms of the audit market by the Competition and Markets Authority and the European Union – which require that companies put their external audit out to tender at least every ten years. EY has served as BP's external auditor since 1909. EY continued to serve as BP's external auditor throughout the financial year ended 31 December 2017.

The audit committee supervised the transition period of Deloitte, as new external auditor, to ensure the monitoring of Deloitte's independence and extended the audit committee's policy on non-audit services to Deloitte during the financial year ended 31 December 2017. The board appointed Deloitte as the company's new external auditor with effect from 29 March 2018 to fill the vacancy arising from EY's resignation following completion of their audit of BP's 2017 financial statements. At the 2018 AGM, EY will not stand for re-election and the board will seek shareholder approval for the appointment of Deloitte as the company's external auditor until the conclusion of the next AGM at which the company's accounts are laid before shareholders.

In respect of the financial years ended 31 December 2016 and 2017, EY did not issue any report on the consolidated financial statements of the BP group that contained an adverse opinion or a disclaimer of opinion, nor were the auditor's report qualified or modified as to uncertainty, audit scope or accounting principles. There has not been any disagreement as defined in Item 16F(a)(1)(iv) of Form 20-F with EY over any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to EY's satisfaction, would have caused EY to make reference to the subject matter of the disagreement in connection with its

auditor's reports, or any reportable event as defined in Item 16F(a)(1)(v) of Form 20-F.

BP has provided EY with a copy of the foregoing disclosure and has requested that they furnish BP with a letter addressed to the US Securities and Exchange Commission (SEC) stating whether or not they agree with such disclosure and, if not, stating the respects in which they do not agree. A copy of EY's letter dated 29 March 2018, in which they stated that they agree with such disclosure, is filed as Exhibit 15.6.

During the financial years ended 31 December 2016 and 2017 BP did not consult with Deloitte regarding: (i) the application of accounting principles to any specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the consolidated financial statements of the BP group; or (ii) any matter that was either the subject of a disagreement as defined in Item 16F(a)(1)(iv) of Form 20-F or reportable event as defined in Item 16F(a)(1)(v) of Form 20-F.

Auditor appointment and independence

The committee considers the reappointment of the external auditor each year before making a recommendation to the board. The committee assesses the independence of the external auditor on an ongoing basis and the external auditor is required to rotate the lead audit partner every five years and other senior audit staff every seven years. The current lead partner has been in place since the start of 2013. No partners or senior staff associated with the BP audit may transfer to the group.

Non-audit services

The audit committee is responsible for BP's policy on non-audit services and the approval of non-audit services. Audit objectivity and independence is safeguarded through the prohibition of non-audit tax services and the limitation of audit-related work which falls within defined categories. BP's policy on non-audit services states that the auditors may not perform non-audit services that are prohibited by the SEC, Public Company Accounting Oversight Board (PCAOB), UK Auditing Practices Board (APB) and the UK Financial Reporting Council (FRC).

The audit committee approves the terms of all audit services as well as permitted audit-related and non-audit services in advance. The external auditor is only considered for permitted non-audit services when its expertise and experience of the company is important.

For all other services which fall under the 'permitted services' categories, approval above a certain financial amount must be sought on a case-by-case basis. Any proposed service not included in the permitted services categories must be approved in advance either by the audit committee chairman or the audit committee before engagement commences. The audit committee, chief financial officer and group controller monitor overall compliance with BP's policy on audit-related and non-audit services, including whether the necessary pre-approvals have been obtained. The categories of permitted and pre-approved services are outlined in Principal accountants' fees and services on page 276. The committee's policies were updated in 2017 to reflect the revised regulatory guidelines of the FRC, including:

- Adoption of the FRC's prohibited non-audit services list.
- Prohibition of non-audit tax services by the audit firm.
- Reduction of the pre-approval requirements for non-audit services in line with FRC guidance on 'non-trivial' engagements with the audit firm.

Committee evaluation

The audit committee undertakes an annual evaluation of its performance and effectiveness.

2017 evaluation

For 2017 an internal questionnaire was used to evaluate the work of the committee. The review concluded that it had performed effectively. Areas of focus for 2018 include succession planning for membership of the committee and a further review of capital spending.

Actions from the 2016 evaluation

Priorities arising from the 2016 evaluation included a review of and visit to one of BP's global business service (GBS) centres, a focus on streamlining committee materials and further scrutiny on risk management when undertaking business or functional reviews. The committee visited GBS in Budapest in 2017, undertaking a review of the organization's activities and strategy. It also focused on improving committee pre-read materials, which received improved evaluation scores for the 2017 review. And an overview of risk management and controls was included in all segment and functional reviews.

Safety, ethics and environment assurance committee (SEEAC)



“

On site visits we look for ourselves and ask questions, and then we engage with management.

”

Chairman's introduction

The committee continued its work with executive management to drive safe, ethical and reliable operations. It has reviewed the company's management of the highest priority non-financial group risks and continues to provide constructive challenge to the risk management process. The risks under their remit remained the same as for 2016: marine, wells, pipelines, explosion or release at facilities and major security incidents and cyber security in process control network. The committee receives reports on each of these risks and monitors their management and mitigation.

Following publication of the company's Modern Slavery Act (MSA) statement in 2017, the committee reviewed related work practices in BP and will continue to review progress in developing and embedding those practices. In 2017 it also reviewed the *BP Sustainability Report 2017* and will review the annual update MSA statement to be published in 2018.

The committee made two site visits in the year (see page 75). In June, members of the committee visited the Cherry Point refinery in Washington, and in July members were among the first to visit the newly operating Glen Lyon floating production, storage and offloading vessel in the UK North Sea. Our level of access into the operational side is extensive and gives the committee unique insight. On site visits, we look for ourselves and ask questions, and then we engage with management on what this means for the objectives we set. The committee also continued its schedule of regular meetings with executive management.

In May, Cynthia Carroll retired from the board and the committee and in the same month Melody Meyer joined the committee. Melody brings with her valuable insight through many years of industry experience, and within a few weeks of joining, participated in her first committee site visit.

Alan Boeckmann
Committee chair

Role of the committee

The role of the SEEAC is to look at the processes adopted by BP's executive management to identify and mitigate significant non-financial risk. This includes monitoring the management of personal and process safety and receiving assurance that processes to identify and mitigate such non-financial risks are appropriate in their design and effective in implementation.

Key responsibilities

The committee receives specific reports from the business segments as well as cross-business information from the functions. These include, but are not limited to, the safety and operational risk function, group audit, group ethics and compliance, business integrity and group security. The SEEAC can access any other independent advice and counsel it requires on an unrestricted basis.

The SEEAC and audit committee worked together, through their chairs and secretaries, to ensure that agendas did not overlap or omit coverage of any key risks during the year.

Members	
Alan Boeckmann	Member since September 2014 and chair since May 2016
Paul Anderson	Member since February 2010
Frank Bowman	Member since November 2010
Cynthia Carroll	Member since June 2007; retired May 2017
Ann Dowling	Member since February 2012
Melody Meyer	Member since May 2017
John Sawers	Member since July 2015

Meetings and attendance

There were six committee meetings in 2017. All directors attended every meeting for which they were eligible, apart from Cynthia Carroll who missed one meeting due to a conflicting meeting.

In addition to the committee members, all SEEAC meetings were attended by the group chief executive, the executive vice president for safety and operational risk (S&OR) and the head of group audit or his delegate. The external auditor attended some of the meetings and was briefed on the other meetings by the chair and secretary to the committee. The group general counsel and group ethics and compliance officer also attended some of the meetings. At the conclusion of each meeting the committee scheduled private sessions for the committee members only, without the presence of executive management, to discuss any issues arising and the quality of the meeting. The group chief executive was invited to join the private meetings on an ad hoc basis.

Activities during the year

System of internal control and risk management

The review of operational risk and performance forms a large part of the committee's agenda.

Group audit provided quarterly reports on their assurance work on the system to inform the review.

The committee also received regular reports from the group chief executive on operational risk, and from the system of internal control and risk management function, including quarterly reports prepared for executive management on the group's health, safety and environmental performance and operational integrity. These included quarter-by-quarter measures of personal and process safety, environmental and regulatory compliance and audit findings, as well as quarterly reports from group audit.

In addition, the group ethics and compliance officer and the group auditor met in private with the chairman and other members of the committee over the course of the year.

During the year the committee received separate reports on the company's management of risks relating to:

- Marine
- Wells
- Pipelines
- Explosion or release at our facilities
- Major security incidents
- Cyber security (process control networks).

The committee reviewed these risks and their management and mitigation in depth with relevant executive management.

Site visits

In June members of the committee, and other directors, visited the Cherry Point refinery in Blaine, Washington. The site visit included a tour of the dock, training simulator and control room. Meetings with senior leadership and representatives from across the site, including a local safety committee, were held. In July committee members, and other directors, visited the newly operational floating production, storage and offloading vessel, Glen Lyon, at our Quad 204 project in the UK North Sea. This was one of the seven major projects delivered during 2017 and the

committee's visit was the first formal visit following its start-up. During visits committee members and other directors received briefings on operations, the status of conformance with BP's operating management system★, key business and operational risks and risk management and mitigation. Committee members then reported back in detail about each visit to the committee and subsequently to the board. See page 75 for further details.

Corporate reporting

The committee is responsible for the overview of the *BP Sustainability Report 2017*. The committee reviewed content

and the revised presentation, and worked with the external auditor with respect to their assurance of the report.

Committee evaluation

For its 2017 evaluation, the committee examined its performance and effectiveness through an internal questionnaire. Topics covered included the balance of skills and experience among its members, the quality and timeliness of information the committee receives, the level of challenge between committee members and management and how well the committee communicates its activities and findings to the board.

The evaluation results continued to be generally positive. Committee members considered that they continued to possess the right mix of skills and background, had an appropriate level of support and received open and transparent briefings from management.

All members emphasized that site visits remained an important element of the committee's work, particularly because they gave members the opportunity to examine how risk management is being embedded in businesses and facilities, including in the management culture.

Joint meetings between the SEEAC and the audit committee were considered important in reviewing and gaining assurance around financial and operational risks where there was overlap between the committees, particularly in relation to ethics and compliance (see below).

Joint meetings of the audit and safety, ethics and environment assurance committees

The audit committee and SEEAC hold joint meetings on a quarterly basis to simplify reporting of key issues that are within the remit of both committees and to make more effective use of the committees' time. Each committee retains full discretion to require a full presentation and discussion on any joint meeting topic at their respective meeting if deemed appropriate.

The committees jointly met four times in 2017, with the chairmanship of the meetings alternating between the chairman of the audit committee and chairman of the SEEAC.

Topics discussed at the joint meetings were the quarterly ethics and compliance reports (including significant investigations and allegations) and the 2018 forward programmes for the group audit and ethics and compliance functions. The committees reviewed the approach and disclosure statement under the UK Modern Slavery Act and the results of an externally facilitated review of the effectiveness and performance of group audit.

Remuneration committee



After extensive shareholder engagement, we were pleased to receive strong support for our new remuneration policy at the 2017 AGM.



Chair's introduction

I am pleased to report on the work of the committee in 2017. Following substantial engagement with our shareholders in 2016 and early 2017, we were pleased to receive their support at the 2017 AGM. We applied our new remuneration policy from the start of 2017 and during the year have been addressing some transitional arrangements from old to the new policies. We also reviewed BP pay below the executive team by region, job level and sector to give additional context to our decisions on executive pay.

Having served on this committee for six years, and as chair for the last three, I am stepping down from the committee after the 2018 AGM. Paula Reynolds, who joined the committee in September 2017, will take the chair. She is currently chair of the remuneration committee at BAE Systems plc and has served on that committee since 2015.

During the year, Deloitte LLP had to stand down as our independent adviser following their forthcoming appointment as auditor. Following a competitive tender process, we appointed PwC LLP in their place.

Professor Dame Ann Dowling

Committee chair

Role of the committee

The role of the committee is to determine and recommend to the board the remuneration policy for the chairman and executive directors. In determining the policy, the committee takes into account various factors, including structuring the policy to promote the long-term success of the company and linking reward to business performance.

Key responsibilities

The committee undertakes its tasks in accordance with applicable regulations, including those made from time to time under the Companies Act 2006, the UK Corporate Governance Code and the UK Listing Authority's Listing Rules in relation to the remuneration of directors of quoted companies.

- Determine the remuneration policy for the chairman and the executive directors.
- Review and determine the terms of engagement, remuneration and termination of employment for the chairman and the executive directors as appropriate and in accordance with the policy, and be responsible for compliance with all remuneration issues applicable to them.
- Prepare the annual remuneration report to shareholders to show how the policy has been implemented.
- Approve the principles of any equity plan that requires shareholder approval.
- Approve the terms of the remuneration of the executive team (including pension and termination arrangements) as proposed by the group chief executive.
- Approve changes to the design of remuneration, for BP group leaders as proposed by the group chief executive.
- Monitor implementation of remuneration for group leaders to ensure alignment and proportionality.
- Engage independent consultants or other advisers as the committee may from time to time deem necessary, at the expense of the company.

Members

Ann Dowling	Member since July 2012 and chair since May 2015
Alan Boeckmann	Member since May 2015
Ian Davis	Member since July 2010
Brendan Nelson	Member since May 2017
Paula Reynolds	Member since September 2017
Andrew Shilston	Member since May 2015; retired from the committee May 2017

Meetings and attendance

Carl-Henric Svanberg and Bob Dudley attend meetings of the committee except for matters relating to their own remuneration. Bob Dudley is consulted on the remuneration of other executive directors, the executive team and more broadly on remuneration across the wider employee population. Both the group chief executive and chief financial officer are consulted on matters relating to the group's performance.

The group human resources director attends meetings and other executives may attend where necessary. The committee consults other board committees on the group's performance and on issues relating to the exercise of judgement or discretion.

The committee met eight times during the year. All directors attended each meeting that they were eligible to attend, either in person or by telephone, except that Alan Boeckman was not able to attend a telephone meeting on 27 February in 2017.

Activities during the year

In the period before the 2017 AGM, the committee focused on finalizing the proposed new remuneration policy and outcomes for 2016. This involved reviewing directors' salaries and the group's performance outcome which in turn determined the annual bonus and the performance share plan.

From the 2017 AGM, the committee focused on implementing the new policy, in particular looking more broadly at remuneration of employees below the executive team and the measures that could be used to reflect the transition to a lower carbon world. It also considered the implications of the transition from the 2014 to the 2017 policies, in particular aspects relating to share grants, and reviewed potential outcomes for 2017 at the end of the year.

Following the appointment of Deloitte as the group's statutory auditor from 2018 (subject to shareholder approval) and the need for the firm to be independent prior to the transition of the audit, the committee appointed PwC as its independent adviser effective September 2017. The committee continued to monitor developments in potential regulation and legislation and held early discussions on the possible implications for its work. It also considered the company's disclosure on the UK gender pay gap.

In each of its meetings, the committee focused on the overall quantum of executive director remuneration and its alignment to the broader group of employees in BP. It has sought to reflect the views of shareholders and the broader societal context in its decisions.

Shareholder engagement

There was substantial engagement with shareholders and proxy voting agencies ahead of the 2017 AGM, primarily carried out by the chair of the committee, supported by the chairman and company secretary. The committee chair tested proposals and sought support for the new policy put to shareholders at the 2017 AGM. In order to understand evolving issues – particularly around climate change – engagement continued throughout the year, primarily with larger shareholders and representative bodies.

Committee evaluation

We undertook an internally facilitated evaluation to examine the committee's performance in 2017. The evaluation concluded that the committee had worked well and continued to evolve after its intense work leading up to the 2017 AGM.

Focus areas for 2018 included improving oversight of stakeholders' views on remuneration and in particular, deepening the committee's understanding of remuneration below the executive level. In addition, we focussed on staying up to date with external developments and emerging 'best practice' and improving remuneration reporting.

i See page 90 for the Directors' remuneration report.

Geopolitical committee



Chairman's introduction

I am pleased to report on the work of the geopolitical committee in 2017, which continued to develop and evolve during the year. In addition to our regular meetings, we visited the group's response information centre in Sunbury, where we were briefed on the group's practices and procedures. During 2017 I also joined discussions of the international advisory board.

Cynthia Carroll and Andrew Shilston stood down from the board at the 2017 AGM, and Melody Meyer joined the committee in May. Other board members joined our meetings from time to time.

Sir John Sawers
Committee chair

Role of the committee

The committee monitors the company's identification and management of geopolitical risk.

Key responsibilities

- Monitor the company's identification and management of major and correlated geopolitical risk and consider reputational as well as financial consequences:
 - Major geopolitical risks are those brought about by social, economic or political events that occur in countries where BP has material investments.
 - Correlated geopolitical risks are those brought about by social, economic or political events that occur in countries where BP may or may not have a presence but that can lead to global political instability.
- Review BP's activities in the context of political and economic developments on a regional basis and advise the board on these elements in its consideration of BP's strategy and the annual plan.

Members	
John Sawers	Member since September 2015 and chair since April 2016
Paul Anderson	Member since September 2015
Frank Bowman	Member since September 2015
Ian Davis	Member since September 2016
Melody Meyer	Member since May 2017
Cynthia Carroll	Member from September 2016 to May 2017
Andrew Shilston	Member from September 2015; retired May 2017

Chairman's and nomination committees



Meetings and attendance

Carl-Henric Svanberg and Bob Dudley attend all committee meetings. The executive vice president, regions and the vice president, government and political affairs attend meetings as required.

The committee met three times during the year. All directors attended each meeting that they were eligible to attend except that Cynthia Carroll was unable to attend the meeting on 1 February 2017.

Activities during the year

The committee developed and broadened its work over the year. It discussed BP's involvement in the key countries where it has investment or is considering investment in detail. These included Angola, the US, Russia, Mexico, Brazil, India, Mauritania and Senegal.

It considered broader policy issues such as the US domestic and foreign policy under the new administration and the political and economic impact of a low price on producing countries.

We reviewed the geopolitical background to BP's global investments and the politics around climate change.

Committee evaluation

The committee reviewed its performance by means of an internally facilitated questionnaire, and discussed the outcome of that evaluation at its meeting in January 2018.

The evaluation concluded that the committee was working well and considering the right issues, but stressed the importance of considering the geopolitics in a country before an investment is made. The committee currently meets three times a year and is considering additional meetings.

The committee and board felt that there should be greater integration between the work of the board, the committee and the international advisory board.

Chairman's introduction

The chairman's and the nomination committees were actively involved in the evolution of the board in 2017. In October, I announced that I would be standing down as chairman at an appropriate time after the 2018 AGM in May. As a result, the board has started the search for my successor. This is being carried out by the chairman's committee led by Ian Davis, the senior independent director.

The nomination committee continues to focus on board renewal and diversity.

Carl-Henric Svanberg
Chair of the committees

Chairman's committee

Role of the committee

To provide a forum for matters to be discussed by the non-executive directors.

Key responsibilities

- Evaluate the performance and the effectiveness of the group chief executive.
- Review the structure and effectiveness of the business organization.
- Review the systems for senior executive development and determine succession plans for the group chief executive, executive directors and other senior members of executive management.
- Determine any other matter that is appropriate to be considered by non-executive directors.
- Opine on any matter referred to it by the chairman of any committees comprised solely of non-executive directors.

Members

The committee comprises all non-executive directors. Directors join the committee immediately on their appointment to the board. The group chief executive attends meetings of the committee when requested.

Meetings and attendance

The committee met 10 times in 2017. All directors attended all the meetings for which they were eligible, except that Cynthia Carroll was unable to attend the meeting on 1 February, as was Paula Reynolds for the 19 May 2017 meeting. Nils Andersen did not attend the meetings where succession was discussed. The chairman did not attend the meeting on 2 February when the committee, led by Andrew Shilston, the then senior independent director, carried out an evaluation of the chairman.

Bob Dudley and Brian Gilvary joined meetings where the chairman's succession was discussed. Matters relating to the business of the nomination committee were also discussed at some meetings.

Activities during the year

- Evaluated the performance of the chairman and the group chief executive.
- Considered the composition of and the succession plans for the executive team.
- Determined the process for the search for a new chair and appointed advisers to support the committee.
- Commenced the search for the new chair.
- Discussed the strategy options for the company, including the lower carbon transition.

Nomination committee

Role of the committee

The committee ensures an orderly succession of candidates for directors and the company secretary.

Key responsibilities

- Identify, evaluate and recommend candidates for appointment or reappointment as directors.
- Identify, evaluate and recommend candidates for appointment as company secretary.
- Keep the mix of knowledge, skills and experience of the board under review to ensure the orderly succession of directors.
- Review the outside directorship/commitments of non-executive directors.

Members	
Carl-Henric Svanberg	Member since September 2009 and chair since January 2010
Alan Boeckmann	Member since April 2016
Ann Dowling	Member since May 2015
John Sawers	Member since April 2016
Ian Davis	Member since August 2010
Andrew Shilston	Member between May 2015; retired May 2017

Andrew Shilston left the committee when he stood down from the board in May 2017.

Meetings and attendance

The committee met three times in 2017. During the second half of the year, matters relating to the appointment of new directors were considered jointly with the chairman's committee. All directors attended each meeting that they were eligible to attend.

Activities during the year

The committee monitored the composition and skills of the board. Paul Anderson will be retiring from the board at the 2018 AGM. The committee focused on ensuring that the board's composition is strong and diverse. As a result, the board is proposing Dame Alison Carnwath for election as a director at the 2018 AGM.

Committee evaluation

The committee generally continues to work well. Its balance of skills and experience needs to be maintained so that it is able to govern the company as it implements its strategy in the transition to the lower carbon world. It expressed a need to ensure that the board maintains strong former executive membership and this will be a focus in forthcoming appointments.