Directors' remuneration policy

Set out below is our directors' remuneration policy (the 'policy') for 2017 and subsequent years. It will be presented to shareholders at the 2017 annual general meeting and, subject to shareholder approval, will take effect for the 2017 financial year. We have developed this policy following a fundamental review of remuneration arrangements and extensive consultation with our major shareholders.

Remuneration principles

BP is a global company with a global management team, competing for talent in a demanding environment. The company's ability to attract and retain the high calibre executives required to lead a global and highly complex business is important for shareholders.

The policy has been designed to reflect the global nature of BP's business and talent pool. The competitive market for top executives both within the oil and gas sector and more broadly provides an important reference point, but is only one of a number of factors considered when the company sets pay.

The following principles underpin BP's revised approach to remuneration for executive directors.

1 Simplification

- Simpler, transparent and fair approach.

2 Link to strategy

- Substantial proportion is variable and linked to the delivery of BP's strategy.
- Package is intended to vary with performance.

3 Shareholder alignment

- Outcomes are intended to reflect performance.
- Pay is intended to reflect shareholder experience.

4 Stewardship

- Focus on long-term sustainable performance.
- Emphasis on share ownership.

Key changes

The policy is intended to provide a simplified approach with a clear link between delivery of BP's strategy and pay, while reflecting outcomes for shareholders.

The policy has been simplified and clarified in response to shareholder feedback. Certain elements have been updated to reflect developments in the UK market and best practice over the past three years. It is designed to be well-balanced and to support the priorities for BP over the short and long term.

We have made a number of important changes to executive directors' remuneration which result in a significant reduction in the overall variable remuneration opportunity. These include:

- Simplified and updated measures to provide a more balanced and rounded assessment of group performance and better alignment with outcomes for shareholders.
- Removal of the matching arrangements for the deferred annual bonus.
- A revised structure so that the annual bonus pay-out scale will be more demanding in future years. Payment for on-target performance is reduced and the maximum bonus will only be paid if there is outperformance on all targets.
- A higher mandatory deferral of annual bonus awards into BP shares from one third to one half of any annual bonus earned. These will vest after three years with no voluntary deferral or match.
- Reduction in the GCE's maximum opportunity for performance shares from 550% of salary to 500%.
- Together with the elimination of matching shares this reduces the total maximum available under long-term remuneration (i.e. performance and matching shares) from 700% to 500% of salary for the GCE and from 550% to 450% of salary for the CFO.
- Stronger malus and clawback provisions.
- Removal of duplicate measures between the annual and long-term elements.

Consideration of shareholder views

In designing the policy the committee undertook a major review of remuneration, considering how pay would support BP's strategy and better align with shareholders' interests.

Engagement with major shareholders has been key to this review and the committee chair has consulted with shareholders beginning in May 2016 and running through to this year's AGM. This multi-stage approach was adopted for the committee to hear and reflect on shareholder feedback while developing the new policy. In direct response to the views received, the policy has been refined over a number of months.

We have valued this dialogue with shareholders and remain committed to ensuring a clear and transparent approach to pay. This policy is designed to provide a transparent framework through which shareholders can assess the basis on which the executive directors at BP are paid.

Remuneration policy table – executive directors

Salary and benefits

Purpose

To provide fixed remuneration to reflect the scale and complexity of both the business and the role, and to be competitive with the external market.

Operation and opportunity

Salary

- Salary levels take into account the nature of the role, performance of the business and the individual, market positioning and pay conditions in the wider BP group. When setting salaries, the committee considers practice in other oil and gas majors as well as European and US companies of a similar size, geographic spread and business dynamic to BP.
- Salaries are normally set in the home currency of the executive director and are reviewed annually. They may be reviewed at other times where appropriate, for example following a major role change.
- Salary levels are specific to the role and individual and therefore there is no maximum salary under the policy. However, when reviewing salaries for executive directors, the committee will consider salary increases for the most senior management and for employees in relevant countries. Percentage increases for executive directors will not exceed that of the broader employee population, other than in specific circumstances identified by the committee (e.g. in response to a substantial change in responsibilities).
- Following the 2017 AGM, the annual salaries for the executive directors will be:

  – Group chief executive – Bob Dudley: $1,854,000.

  – Chief financial officer – Dr Brian Gilvary: £759,000.

Benefits

- The committee expects to maintain benefits at the current level.
- Executive directors are entitled to receive those benefits available to all BP employees generally, such as participation in all-employee share plans, sickness pay, relocation assistance and maternity pay. Benefits are not pensionable.
- Executive directors may receive other benefits that are judged to be cost effective and appropriate in terms of the individual's role, time and/or security. These include car-related benefits or cash in lieu, driver, security, assistance with tax return preparation, insurance and medical benefits. The company may meet any tax charges arising on business-related benefits provided to directors, for example security.
- The taxable value of benefits provided may fluctuate during the period of this policy, depending on the cost of provision and a director's personal circumstances.

Performance framework

- Not applicable

Annual bonus

Purpose

To provide variable remuneration dependent on performance against annual financial, operational and safety measures. 50% of the bonus is paid in cash and 50% is mandatorily deferred and held in BP shares for three years to reinforce the long-term nature of the business and the importance of sustainability.

Operation and opportunity

- The bonus is based on performance against annual measures and targets set at the start of the year, evaluated over the financial year and assessed following the year end.
- Typically the annual bonus earned would be 50% of the maximum available for delivery of performance in line with the annual plan. The level of bonus payable may vary depending on the nature of the performance measure and level of target set.
- Executive directors may earn a maximum annual bonus (including any deferral) of up to 225% of salary for stretching performance against the objectives set for the year. The committee intends to set demanding requirements for maximum payment.
- 50% of the bonus earned is required to be deferred into BP shares for three years. Dividends (or equivalents, including the value of any reinvestment) may accrue in respect of any deferred shares.
- Awards are subject to malus and clawback provisions as described on page 105.

Performance framework

- The committee determines specific measures, weightings and targets each year to reflect the priorities in the annual plan, which is designed to deliver the group's strategy and is approved by the board.
- Measures will typically include a balance of financial, operational and safety measures. Details of the measures will be reported in advance each year in the annual report on remuneration. The committee intends to disclose targets for the annual bonus retrospectively.

Performance shares

Purpose

To link the largest part of remuneration opportunity with the long-term performance of the business. The outcome varies with performance against measures linked directly to strategic priorities.

Operation and opportunity

- Annual awards of shares will vest based on performance relative to measures and targets that reflect the delivery of BP's strategy. Performance will normally be measured over a period of at least three years.
- The maximum annual award level for the group chief executive will be 500% of salary and 450% of salary for the chief financial officer.
- Performance shares will only vest to the extent that performance targets are met. The level of vesting for performance will depend on the stretch of the objective set, but the threshold level would normally not be expected to exceed 25% of the maximum opportunity for the relevant element.
- Once performance has been measured, a proportion of the shares that will vest are subject to a holding period. The combined length of the performance and holding periods will be normally six years.
- Dividends (or equivalents, including the value of reinvestment) may accrue in respect of vested shares.
- Awards are subject to malus and clawback provisions as described on page 105.

Performance framework

- Performance shares may vest based on a combination of total shareholder return, financial and strategic measures.
- For 2017 awards, the measures and weightings will be:
  – total shareholder return relative to oil and gas majors (50%)
  – return on average capital employed (30%)
  – strategic progress (20%)
- Details of 2017 targets relating to the total shareholder return and return on average capital employed measures are outlined in the remuneration report. Details relating to strategic progress will be disclosed retrospectively.
- Prior to granting each award the committee will review the measures, weightings and targets to ensure they remain focused on delivering the strategy and are in the interests of shareholders.
- At least 40% of any award will be subject to measures linked to shareholder returns and the proportion linked to strategic progress will not exceed 30%. The committee would consult appropriately with major shareholders regarding any material changes to the measures.

Shareholding requirements

Purpose

To provide alignment between the interests of executive directors and our other shareholders.

Operation and opportunity

- An executive director is expected to build up and maintain a minimum shareholding of five times their base salary within five years of their appointment.

Performance framework

- Not applicable.

Retirement benefits

Purpose

To recognize competitive practice in home country.

Operation and opportunity

- Executive directors normally participate in the company retirement plans that operate in their home country.
- Senior executives in BP have generally been employees of the group for a number of years. They often remain participants in long-standing arrangements in which other group employees continue to participate, but which are no longer offered to new employees. The maximum opportunity will vary depending on the terms of these arrangements.
- UK participants may remain members of the company's defined benefit plan. In common with other employees in this plan, they may choose to receive up to 35% of salary in lieu as a cash supplement but do not receive further service accrual under this plan. The level of this allowance is expected to reduce in future, in line with the proposed reduction for other UK employees who participate in this arrangement.
- US executive directors participate in long-standing plans of Amoco and Arco and other BP defined benefit and retirement savings plans for US employees.
- For future appointments, the committee will carefully review any retirement benefits to be granted to a new director. This will take account of retirement policies across the wider group, any arrangements currently in place, local market practice and individual circumstances. The committee will consider retirement benefits in the context of the overall approach to remuneration.

Performance framework

- Retirement benefits in the UK are not directly linked to performance. Reflecting local market practice, legacy arrangements in the US may reference bonuses when determining the benefit level.

Notes to the policy table

How is variable pay linked to performance under the new policy?

Annual bonus	Bonus aligned with annual objectives	50% paid in cash; 50% in BP shares deferred for 3 years
Performance shares	Share award for meeting three-year targets	6 years: 3-year performance period + 3-year holding period
Share ownership	Long-term shareholding	Built up over 5 years and maintained

The three elements described above provide a balance between focus on short-term, medium-term and long-term performance, while encouraging behaviours which are in the long-term interests of shareholders.

The operation of variable pay is supported by a focus on stewardship. There is an expectation that executives will build up a holding of five times salary over a period of five years following appointment and maintain that level during employment.

How are performance measures linked to the strategy under the new policy?

Variable pay is linked to performance measures designed to deliver the BP strategy. At the start of each year, the remuneration committee reviews the measures, targets and weightings to ensure they remain consistent with the priorities in the annual plan and the group strategy. For the annual bonus and performance shares, the approach to performance measurement is intended to provide a balance of measures to assess performance reflecting the global scale of the business and unique characteristics of the oil and gas sector.

The measures for the 2017 awards are summarized below, with further detail set out in the annual report on remuneration on pages 87-88.

New remuneration policy measures for period commencing in 2017

Annual bonus

1 Safety	2 Reliable operations	3 Financial performance
20%	30%	50%
Recordable injury frequency	Upstream operating efficiency	Operating cash flow (excluding Gulf of Mexico oil spill payments)
Tier 1 process safety events	Downstream refining availability (Solomon Associates' operational availability)	Underlying replacement cost profit
		Upstream unit production costs

Performance shares

1 Relative TSR	2 Return on capital employed	3 Strategic progress
50%	30%	20%
TSR relative to five oil and gas majors	Absolute ROACE (with target disclosed in advance)	Based on a balanced assessment of performance against key strategic priorities.
Rankings: 1st = 100% of award 2nd = 80% 3rd = 25%	Evaluation will be based on final year of three-year period	

Underpin: Take into account absolute TSR and safety/environmental factors prior to determining final vesting outcome.

Discretion to reflect broader environment

Robust malus and clawback

- The annual bonus is determined based on performance against measures and targets from the annual plan, which is designed to implement BP's strategy. Performance measures include a range of financial, operating and safety metrics.
- Measures for performance share awards provide alignment with shareholder returns and long-term sustainable performance.
- The combination of measures provides a diverse and rounded assessment of performance with appropriate checks and balances.
- The committee reviews BP's underlying performance and external market reference points, as well as performance against specific measures and targets. It also seeks input from the board's audit and safety, ethics and environmental assurance committees on relevant aspects before determining final outcomes. For the performance share awards, the committee will consider longer-term safety and environmental performance as an underpin when evaluating outcomes. This will take into account both absolute shareholder returns and safety and environmental factors, including consideration of issues around carbon and climate change, prior to determining the actual vesting levels.
- When appropriate, the committee may make adjustments, upwards or downwards, to a straight formulaic outcome based on the group's broader performance and the outcomes for shareholders. The committee considers that this informed judgement is important to establishing an overall assessment of performance.

How will we use flexibility, judgement and discretion?

The committee is empowered to make quantitative and qualitative assessments of performance in reaching its decisions. This involves the use of judgement and discretion within a transparent framework approved by shareholders. The committee continues to consider that the powers of flexibility, judgement and discretion are critical to the successful execution of the policy.

In framing the policy, the committee has taken care to ensure that these important powers continue to be available:

- Sufficient flexibility to take account of future changes in the industry environment and in remuneration practice generally. This allows the committee to respond to changes in circumstances, for example in applying particular performance measures within the plans which may need to evolve with the company's strategy, without the need for specific shareholder approval.
- Power to exercise judgement in making a qualitative assessment in certain circumstances. A number of measures are used for annual or long-term incentive awards, many of which are numerical in nature and require a quantitative assessment of performance. Others may require a qualitative assessment.
- Scope for the committee to exercise discretion, mainly where it is desirable to vary a formulaic outcome that would otherwise arise from the policy's implementation. The committee considers that the ability to exercise discretion, upwards or downwards, is important to ensure that a particular outcome is fair in light of the director's own performance, the company's overall performance and positioning under particular performance measures and outcomes for shareholders. In accordance with UK regulations, areas where the remuneration policy provides for the exercise of discretion are identified in this report.

The committee intends to provide appropriate disclosure on the use of discretion so that shareholders can understand the basis for its decisions.

How will we safeguard against payments for failure?

Performance based pay →

- A significant portion of remuneration varies with performance – where performance targets are not achieved, lower or no payments will be made under the plans.

Discretion →

- The committee may vary formulaic outcomes where these do not suitably reflect performance over the relevant performance period.

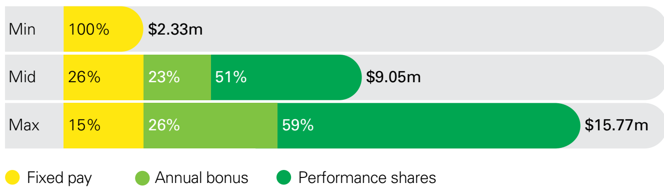
Malus and clawback →

- The malus provisions enable the committee to reduce the size of award, cancel an unvested award, or impose further conditions on an award made under this policy.
- The malus provisions may apply if, prior to the vesting or payment of an award, there is a negative event such as:
  - material failure impacting safety or environmental sustainability
  - incorrect award outcomes due to miscalculation or based on incorrect information
  - restatement due to financial reporting failure or misstatement of audited results
  - material misconduct by the participant
  - such other exceptional circumstances that the committee consider to be similar in nature.
- The clawback provisions enable the committee to require participants to return some or all of an award after payment or vesting. They may be applied under the following circumstances:
  - incorrect outcomes due to miscalculation or based on incorrect information
  - restatement due to financial reporting failure or misstatement of audited results
  - material misconduct by the participant.

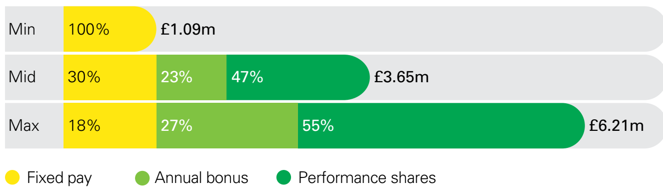
Illustration of application of remuneration policy

The total remuneration opportunity for executive directors is strongly performance based and weighted to the long term. The charts below provide scenarios for the total remuneration of executive directors at different levels of performance and are calculated as prescribed in UK regulations.

Bob Dudley



Dr Brian Gilvary



Component
For these illustrations base salary, benefits and pension are the same in all three scenarios

Base salary	GCE: $1,854,000 CFO: £759,000	Based on salary effective following the AGM.
Benefits and retirement benefits	GCE: $474,000 CFO: £332,000	Benefits are based on the value shown in the 2016 single figure table. Mr Dudley's assumed pension value is based on illustrative returns from his retirement savings plans. Dr Gilvary's retirement benefits assume an allowance of 35% of salary.

Component
Variable pay under the new policy comprises annual bonus and performance shares

Scenario	Minimum	Mid	Maximum
Annual bonus (including cash and deferred elements)	Threshold not met Nil	50% of maximum 112.5% of salary	100% of maximum 225% of salary
Performance shares[b]	Threshold not met GCE – Nil CFO – Nil	50% vesting[a] GCE – 250% of salary CFO – 225% of salary	100% vesting GCE – 500% of salary CFO – 450% of salary

[a] Note that this is an indicative figure. The average vesting level for BP performance shares between 2010-2016 was 34%.
[b] Amounts in respect of performance shares and deferred annual bonus are shown at face value excluding the impact of share price growth and dividends.

Recruitment policy

The committee expects any new executive director to be engaged on terms that are consistent with the policy. However it recognizes that it cannot anticipate circumstances in which any new executive director may be recruited. The committee may determine that it is in the interests of the company and shareholders to secure the services of a particular individual which may require it to take account of the terms of that individual's existing employment and/or their personal circumstances.

Accordingly, the committee will ensure that:

- The salary level of any new director is appropriate to their role and the competitive environment at the time of appointment. Where appropriate it may appoint an individual on a lower salary, then gradually increase salary levels as the individual gains experience in the role.
- Variable remuneration will be awarded within the parameters of the policy.
- The committee may tailor the vesting criteria for initial incentive awards depending on the specific circumstances.
- Where an existing employee is promoted to the board, the company may honour all existing contractual commitments including any outstanding share awards or pension entitlements.
- The committee would expect any new director to participate in the company pension and benefit schemes that are open to other senior employees (where appropriate referencing the candidate's home country) but would take into account the director's existing arrangements and market norms.
- Where an individual is relocating in order to take up the role, the company may provide certain one-off benefits such as reasonable relocation expenses, accommodation for a period following appointment, assistance with visa applications or other immigration issues and ongoing arrangements such as tax equalization, annual flights home and a housing allowance.
- Where an individual would be forfeiting remuneration or employment terms in order to join the company, the committee may award appropriate compensation. The committee would require reasonable evidence of the nature and value of any forfeited arrangements and would, to the extent practicable, ensure any compensation was of comparable commercial value and capped as appropriate, taking into account the terms of the previous arrangement being forfeited (for example the form and structure of award, timeframe, performance criteria and likelihood of vesting). Where appropriate, the committee would have a preference for buy-outs to be delivered in the form of shares in the company.

In making any decision on the remuneration of a new director, the committee would balance shareholder expectations, current best practice and the circumstances of any new director. It would strive not to pay more than is necessary to recruit the right candidate and would give full details in the next remuneration report.

Service contract

Bob Dudley's service contract is with BP Corporation North America Inc. Dr Brian Gilvary's service contract is with BP p.l.c.

Each executive director is entitled to pension provision as outlined on page 103.

Each executive director is also entitled to the following contractual benefits:

- For security reasons, a company car and driver is provided for business and private use. The company will bear all normal servicing, insurance and running costs.
- Medical and dental benefits, sick pay during periods of absence and assistance with the preparation of tax returns.
- Indemnification in accordance with applicable law.
- Participation in bonus or incentive arrangements at the committee's sole discretion.

Each executive director may terminate their employment by giving 12 months' written notice. In this event, for business reasons, the employer may not necessarily hold the executive director to their full notice period.

The employer may lawfully terminate the executive director's employment in the following ways:

- By giving the director 12 months' written notice.
- Without compensation, in circumstances where the employer is entitled to terminate for cause, as defined for the purposes of their service contract.

Additionally, in the case of Dr Brian Gilvary, the company may lawfully terminate employment by making a lump sum payment in lieu of notice equal to 12 months' base salary or by monthly instalments rather than as a lump sum.

The lawful termination mechanisms described above are without prejudice to the employer's ability in appropriate circumstances to terminate in breach of the notice period referred to above, and thereby to be liable for damages to the executive director.

In the event of termination by the company, each executive director may have an entitlement to compensation in respect of their statutory rights under employment protection legislation in the UK and potentially elsewhere. Where appropriate the company may also meet a director's reasonable legal expenses in connection with either their appointment or termination of their appointment.

Termination payments

In determining overall termination arrangements, the committee will distinguish between types of leaver and the circumstances of their leaving.

The committee would also consider all relevant circumstances, including whether a contractual provision in the director's arrangements complied with best practice at the time of termination and the date the provision was agreed, as well as the performance of the director in certain respects.

Where appropriate, the committee may consider providing certain benefits relating to termination including the provision of outplacement support or costs associated with relocation back to an individual's home country.

Should it become necessary to terminate an executive director's employment, and therefore to determine a termination payment, the committee's policy is as follows:

Termination payments	• The director's primary entitlement would be a termination payment in respect of their service agreement, as set out above. However the committee will consider mitigation to reduce the termination payment where appropriate to do so, taking into account the circumstances for leaving and the terms of the agreement. Mitigation would not be applicable where a contractual payment in lieu of notice is made.	• If the departing director is eligible for an early retirement pension, the committee would consider, if relevant under the terms of the appropriate plan, the extent of any actuarial reduction that should be applied. UK directors who leave in circumstances approved by the committee may have a favourable actuarial reduction applied to their pensions (which to date has been 3%). Departing directors who leave in other circumstances may be subject to a greater reduction.
Annual bonus	• The committee would consider whether the director should be entitled to an annual bonus in respect of the financial year in which the termination occurs.	Normally, any such bonus would be restricted to the director's actual period of service in that financial year.
Share awards	• Share awards will be treated in accordance with the relevant plan rules. For awards granted under the Executive Directors' Incentive Plan (EDIP), the treatment can only be made in accordance with the framework approved by shareholders. • The committee would consider whether conditional share awards held by the director should lapse on leaving or should, at the committee's discretion, be preserved. If awards are preserved, the award would normally continue until the vesting date. Awards may be pro-rated based on service over the performance period.	• In deciding whether to exercise discretion to preserve EDIP awards, the committee would also consider the proximity of the award to its maturity date.

Legacy arrangements and other detailed provisions

Previously the deferred element of the annual bonus in respect of years up to and including 2016 attracted a corresponding award of matching shares. Although the committee will no longer grant matching awards in respect of future bonus awards, executives retain interests in legacy awards previously granted under this arrangement under the terms set out in the 2014 policy.

For completeness, the table below summarizes the key terms of the previous matching share element.

Legacy incentives: deferred bonus and matching shares (no further awards to be granted)

Purpose	To reinforce the long-term nature of the business and the importance of sustainability.
Operation	• Previously one third of the annual bonus was subject to compulsory deferral and a further third was subject to voluntary deferral. • These deferred shares were matched on a one-for-one basis. • Where shares vest, additional shares representing the value of reinvested dividends are added. • All deferred shares are subject to clawback provisions if they are found to have been granted on the basis of a material misstatement of financial or other data.
Performance framework	• Both deferred and matching shares must pass an additional hurdle related to safety and environmental sustainability performance in order to vest. • If there has been a material deterioration in safety and environmental metrics, or major incidents revealing underlying weaknesses in safety and environmental management then the committee, with advice from the board's safety, ethics and environmental assurance committee, may conclude that shares vest in part, or not at all.

In addition to the award described above, the committee may continue to satisfy existing remuneration commitments and/or payments for loss of office, including the exercise of any discretion in connection with such payments provided that such terms were agreed:

- before 10 April 2014 when the first approved remuneration policy came into effect
- before the 2017 policy came into effect, provided that the terms of the payment were consistent with the shareholder-approved directors' remuneration policy in force at the time they were agreed
- at a time when the relevant individual was not a director of the company and, in the opinion of the committee, the payment was not in consideration for the individual becoming a director.

Share awards are subject to the terms of the relevant plan rules under which the award has been granted. The committee may adjust or amend awards, but only in accordance with the provisions of the plan rules. This includes making adjustments to awards to reflect one-off corporate events, such as a change in the company's capital structure or treatment of awards in the event of a change of control. In accordance with the plan rules, awards may be settled in cash rather than shares, where the committee considers this appropriate.

The committee may make minor amendments to the policy to aid its operation or implementation without seeking shareholder approval, for example for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation provided that any such change is not to the material advantage of the directors.

Remuneration in the wider group

The committee considers employment conditions in the BP group when establishing and implementing policy for executive directors to ensure the alignment of and context for principles and approach. In particular, the committee reviews the policy for the most senior leaders.

Decisions regarding remuneration for employees outside the group leaders are the responsibility of the GCE. The committee does not consult directly with employees when formulating the policy. However, feedback from employee surveys, that are regularly reported to the board, provide views on a wide range of employee matters including pay.

The wider employee group participates in performance-based incentives. Throughout the group, base salary and benefit levels are set in accordance with the prevailing relevant market conditions and practice in the countries in which employees are based.

Differences between executive director pay policy and that of other employees reflect the senior position of the individuals, prevailing market conditions and corporate governance practices in respect of executive director remuneration. The key difference in policy for executive directors is that a greater proportion of total remuneration is delivered as performance-based incentives.

Remuneration policy table – non-executive directors

Non-executive chairman

Fees

Approach	Remuneration is in the form of cash fees, payable monthly. The level and structure of the chairman's remuneration will primarily be compared against UK best practice.
Operation and opportunity	The quantum and structure of the non-executive chairman's remuneration is reviewed annually by the remuneration committee, which makes a recommendation to the board.

Benefits and expenses

Approach	The chairman is provided with support and reasonable travelling expenses.
Operation and opportunity	The chairman is provided with an office and full time secretarial and administrative support in London and a contribution to an office and secretarial support in his home country as appropriate. A car and the use of a driver is provided in London, together with security assistance. All reasonable travelling and other expenses (including any relevant tax) incurred in carrying out his duties is reimbursed.

Non-executive directors

Fees

Approach	Remuneration is in the form of cash fees, payable monthly. Remuneration practice is consistent with recognized best practice standards for non-executive directors' remuneration and, as a UK-listed company, the level and structure of non-executive directors' remuneration will primarily be compared against UK best practice. Additional fees may be payable to reflect additional board responsibilities, for example, committee chairmanship and membership and for the role of senior independent director.
Operation and opportunity	The level and structure of non-executive directors' remuneration is reviewed by the chairman, the GCE and the company secretary who make a recommendation to the board. Non-executive directors do not vote on their own remuneration. Remuneration for non-executive directors is reviewed annually.

Other fees and benefits

Intercontinental allowance

Approach	Non-executive directors receive an allowance to reflect the global nature of the company's business. The intercontinental travel allowance is payable for the purpose of attending board or committee meetings or site visits.
Operation and opportunity	The allowance is paid in cash following each event of intercontinental travel.

Benefits and expenses

Approach	Non-executive directors are provided with administrative support and reasonable travelling expenses. Professional fees are reimbursed in the form of cash, payable following the provision of advice and assistance.
Operation and opportunity	Non-executive directors are reimbursed for all reasonable travelling and subsistence expenses (including any relevant tax) incurred in carrying out their duties. The reimbursement of professional fees incurred by non-executive directors based outside the UK in connection with advice and assistance on UK tax compliance matters.

The maximum fees for non-executive directors are set in accordance with the Articles of Association.

This directors' remuneration report was approved by the board and signed on its behalf by David J Jackson, company secretary on 6 April 2017.