



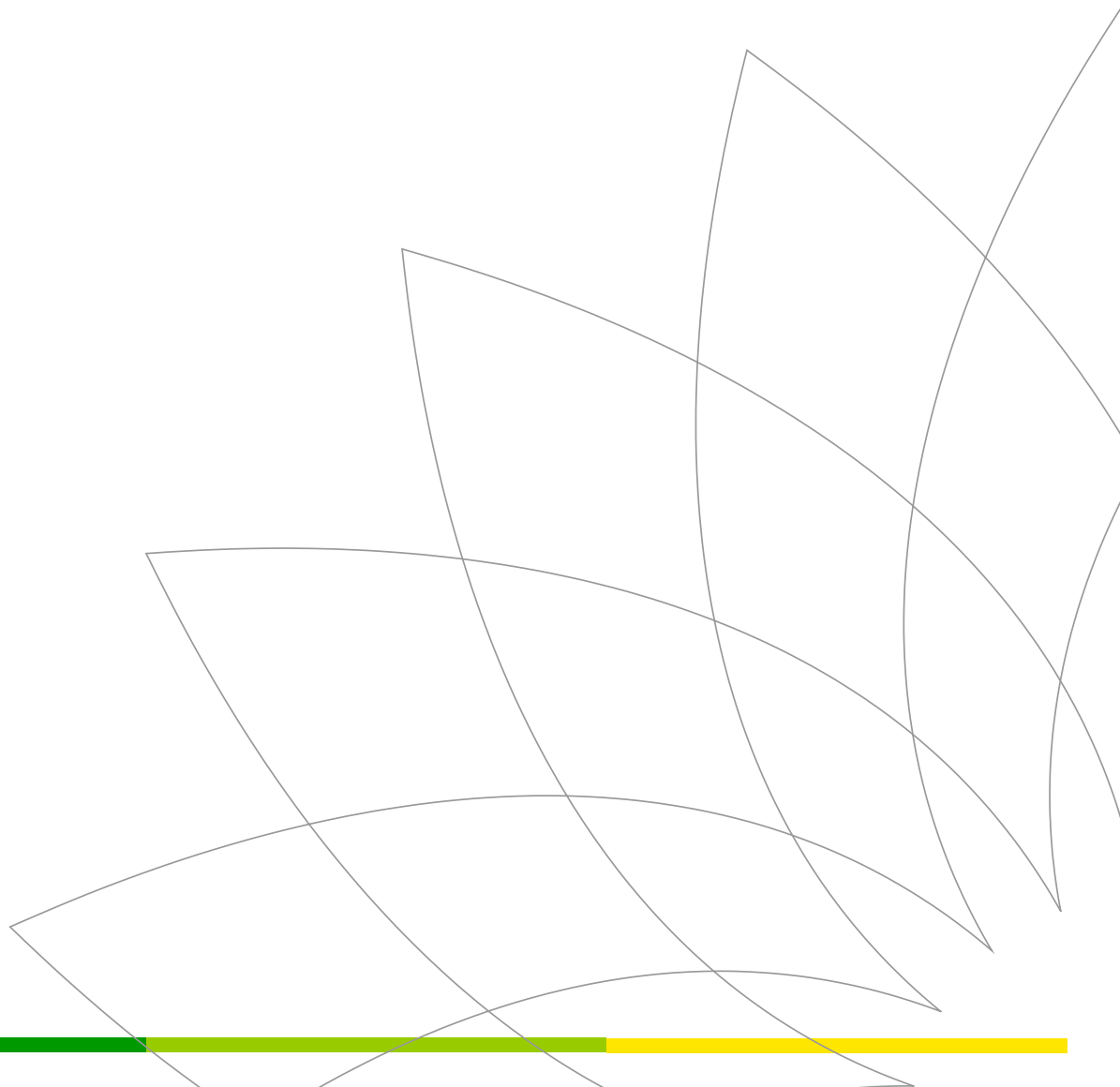
# 2018 Annual General Meeting: chairman

Carl-Henric Svanberg

Chairman

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21 May 2018





Good morning,

Welcome to the 2018 BP Annual General Meeting.

I am Carl-Henric Svanberg, your Chairman.

Thank you for joining us.

Today, we are going to discuss 24 resolutions.

These are set out in the Notice of Meeting.

I would like to start with formally proposing all those resolutions.

We will discuss them and vote on a poll at the end of the meeting.

I am pleased that the Board has travelled to Manchester for this meeting.

I will say why in a moment.

But first, we recognize that we are here as the city remembers the tragic events from one year ago. Exactly one year ago tomorrow.

On that day the world came together with Manchester – in shock and also in solidarity.

We do so again today as we remember - and we recognize the way Manchester shows us how to respond.

This is a special city.

It is the first time ever that we hold our AGM outside London.

So why Manchester?

More than 40% of our shareholders in the UK live north of Birmingham.

We considered that and it's only right that we come here and meet more of you.

BP has many connections to Manchester.

UK's first city airport was built here in the 1920s and we supplied fuel for the planes.

We were also already supplying marine fuels here – so we go back at least a century.

We have many suppliers today in this area and we have a strong relationship with Manchester University.

The International Centre for Advanced Materials, as an example, is doing some great work.

We'll keep the location of the AGM under review and may well rotate venues between London and other cities.

And, as time goes on, we might even consider live connections between many venues.

But this will clearly be something for my successor to decide.

As you all know, I am standing down at the end of this year and the Board has appointed Helge Lund as my successor.

Helge has had an impressive career so far, much of it in the oil and gas industry.

He has global experience and the skills and character to lead this great Board as it guides BP on its future path.

I would like to take a moment to pay tribute to my predecessor as Chairman, Peter Sutherland, who so sadly died earlier this year.

Peter led the Board for 12 years. He was a great Chairman who worked with John Browne through the consolidation of the industry.

Peter always enjoyed meeting shareholders at the AGM and all the different questions. I think that it was the barrister in him.

But Peter was a man who walked on many stages as an advocate for business, global trade and migration.

He believed in the benefits each can bring to people and nations. Latterly he worked as a UN special representative for international migration.

We miss Peter. He played a major role in BP's transformation to a global energy company.

We send our best wishes to his widow Maruja and his family.

I truly enjoy these meetings as well.

It gives you, our shareholders, an opportunity to ask any relevant questions – and a chance for me and my colleagues to talk about your great company.

So, where is BP now and where are we heading?

Our performance is being recognized by the financial markets around the world.

Let's just look back at our various initiatives so far this year.

We announced our full-year performance for 2017 in February.

We delivered on our promises, not only financially, but also by starting – on time and on budget – 7 major projects, which will deliver great returns in the coming years.

We then published our Energy and Technology Outlooks, where once again we look to the future through various scenarios.

We do not believe in one single scenario but rather in being prepared for different ones with an adaptable plan and flexible portfolio.

In our Annual Report, we set out clearly our strategy for the coming years.

Put simply, the Board wishes to grow the company and will measure this growth through increasing returns.

In April we published our Sustainability Report and our first-ever dedicated report about the lower carbon future, called “Advancing the energy transition.”

These documents are here for you today and I urge you to take copies and read them. Here, we set out our approach to the energy transition which involves:

- Reducing emissions in our operations
- Improving our products
- Creating low carbon businesses

We have set clear targets and we aim to invest at least half-a-billion dollars a year in new businesses.



Bob will say more in a moment about this and how it contributes to the challenge of more energy for the world's increasing demand while addressing the need for lower carbon emissions.

The way that we pay our executive directors remains, in common with many other companies, a matter of focus for you, our shareholders, and society in general.

Last year you approved our revised remuneration policy.

And it is that policy and its spirit that the Board, through the remuneration committee, has applied for 2017.

We believe that the decisions we have taken, including exercising discretion, balance the strong performance of BP in 2017 with the experience of shareholders over the past three years.

And Bob and Brian have themselves made decisions that have assisted the committee's work.

I would like to thank Ann Dowling for all her work as the committee chair, particularly in engaging with shareholders and steering us through the 2017 policy.

As we will see later, these efforts have again been recognized by shareholders.

Ann is standing down from the committee at the end of this meeting. Paula Reynolds will succeed her as chair.

Again, sincere and warm thanks to Ann for all that she has done.

Before we move from remuneration, I would like to leave you with a thought for the future.

We need to ensure that we have a great executive team and we are in a global market for talent.

I believe it is in all our interests that future remuneration policies can be left to work on their own merits without frequent use of discretion.

Our executives should have the certainty that their efforts deserve.

This will require that we, from both sides, spend the time wisely to agree policies that can meet this goal.



Over the year, we have seen further changes on the Board.

Paul Anderson is standing down at this AGM.

Paul joined in 2010, just weeks before the accident. Paul had previously run BHP Billiton and had lifelong experience of the energy industry.

He has made a substantial contribution to our work, not least as chair of the SEEAC.

He has given us very wise counsel and has been a great colleague.

He cannot be here today.

We thank him for all his efforts. We will miss him.

Unfortunately Alan Boeckmann cannot be here today either as he has a serious bout of flu and was is unfortunately ill and unable to travel.

You elected Melody Meyer to the Board at this meeting last year and Melody is here with the Board today.

We've already benefited from Melody's experience in the industry and her leadership on the diversity agenda.

We are proposing that Dame Alison Carnwath is elected to the Board today.

Alison has very broad experience as a non-executive director.

Alison currently chairs Land Securities, from which she will stand down shortly. Alison will join the audit committee.

With Alison joining, we will be more than 30% women on the Board and we aim higher.

Ian Davis will continue as our Senior Independent Director.

In that role, Ian led the search for my successor. It was a very thorough process and on behalf of the Board I would like to thank him.

As this is my last AGM, let me finish with some thoughts on my time with you.

My first meeting, back in 2010, was just 6 days before the Deepwater Horizon accident.

11 people lost their lives in tragic circumstances.

Families lost loved ones.

Much harm was caused.

We committed to make it right and we did.

We restored the Gulf and its economy.

That seems so long ago now but we remember it.

By remembering, that helps us make sure it never happens again.

Looking back to 2010 when we started the recovery work, Bob and I knew we had to address two overarching challenges.

The first was to make the company safer. Some believed that there could be a contradiction between being safer and maximizing returns.

We both knew that there is no such contradiction.

You build the safest company with straight and clear processes and procedures, where everyone knows their tasks and has the right training, equipment and support.

This paves the way for the safest, most efficient company with the highest returns.

I believe we have demonstrated this well by BP's steadily improving safety and performance.

The second challenge is related to the world's need for a lower carbon transition.

There is an old saying that we did not leave the stone age because we ran out of stones.

Nor will we run out of oil, but technology will provide new opportunities and we are committed to playing our role in the transition.

I am therefore especially pleased that we have just published our document, "Advancing the energy transition."

This is the result of continuing deep debates on the Board, in the executive team and with different stakeholders.



These debates will of course continue as technology develops and the political and societal environments evolve.

BP is well positioned for the future and it makes me very proud to see how far we have come.

But, if you ask me what makes me most proud, it is something else.

All of us on the Board travel regularly to meet teams around the BP world.

They are remarkable people.

What we learn from them has informed the decisions we make.

They are why this company is a great company.

They are why you can have confidence in its future.

So, thank you to Bob and all your excellent team.

Thank you to my Board colleagues past and present.

Thanks, above all, to you our shareholders, for your support through good as well as challenging times!

It has been a great honour and privilege to serve as your chairman.

BP is a great company and we are back!

Over to you Bob!