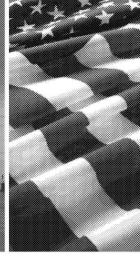
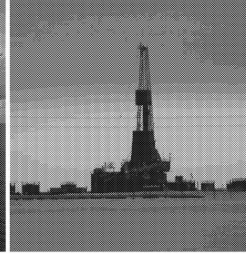


DRAFT



# BP America

Quarterly Performance Review



June 13<sup>th</sup>, 2017  
8am – 11am

# BP America

## Agenda



- Introduction/Context (10 min)
- D&I Moment (5 min)
- Risks (10 min)
- KPIs - Safety, 2017 Financials, Headcount, 3 Year Plan (30 min)
- Key priority updates (90 min ~ 6min each)
- Planning and performance management framework (10 min)
- Roundtable / Other (25 min)

*Houston fire drill at 10am*

# BP America

## Risk management



June 15<sup>th</sup> Light touch risk refresh, major changes from prior year only  
 Aug - Oct Business/Function full annual risk update

- BPA LT Risk Review – 22 August
- Group Risk submission – 16 October

November Executive Team review of Group Risks in Group Plan  
 December Board review of Group Plan and highest priority Group Risks

A1. Group-Level Risks*				
Risk Description	Net Risk / Worst Credible Impact	SPA	Commentary	Status
Damage to BP's Reputation	D4 / C	Geoff Morrell	Fundamental controls and contingencies still good. Reputation work plans reflect updated engagement plans.	
Harmful New US Regulatory and Tax Policies	D6 / C	John Mingé	Tax Policy/Rule plan continues to address this risk	
Compliance with the EPA Agreement	D2 / C	John Mingé	Compliance Team in place with gatekeepers and SPAs. Monthly reports and quarterly Board updates.	
A2. Additional Significant Business Risks (not submitted to Group)				
Risk Description	Severity	ELT Owner	Commentary	Status
Failure to effectively transition Ombudsman Activity	E3	Randy Latta	Activities fully transitioned into E&C and BI. Controls and monitoring in place and operating effectively.	
Failure to manage bribery and corruption risks	E3	Abdinasir Ali	Review Community Investment Policy in 2017 to ensure corporate giving is in line with the CoC	
Risk of loss or unavailability of DWH data	E3	Craig Coburn	Controls and contingencies in place and operating effectively.	
Failure to improve diversity and inclusion	E5	Ray Dempsey	New construct for D&I established, Minority Ambition underway	

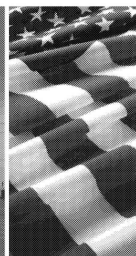
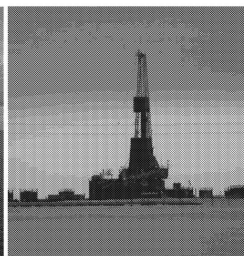
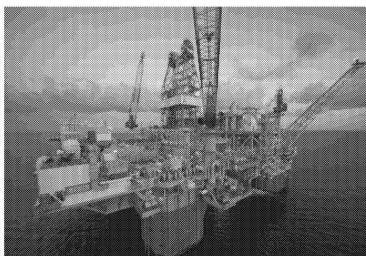
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# BP America

KPI review

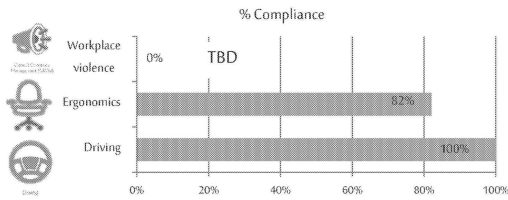




# BP America HSSE program



## Safety Compliance



- Complete workplace violence awareness.
- Assess workstation every three years. Review assessment if you experience pain or discomfort, or if you move desks.
- Complete Driving Safety Questionnaire and the appropriate driver training course if you drive on company business.

## Safety and Security Management

	Q1	Q2	Q3	Q4
Safety walk thru		✓		✓
Digital awareness			✓	
IRIS rollout	✓			
Offsite events	✓	✓	✓	✓

✓ Complete  
 ✓ Upcoming

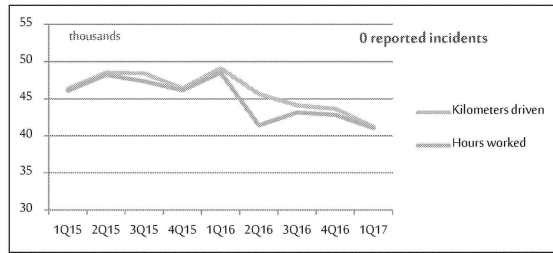
- Know / follow HSSE rules at site and other sites you visit, be aware of surroundings. Know your HSSE Champion / floor warden
- Understand and follow the digital security policy.
- Know when and how to report incidents and unsafe behaviors or conditions.
- Carry out risk assessment for off-site events / ad-hoc. Communicate risk mitigation to those potentially impacted.

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# BP America

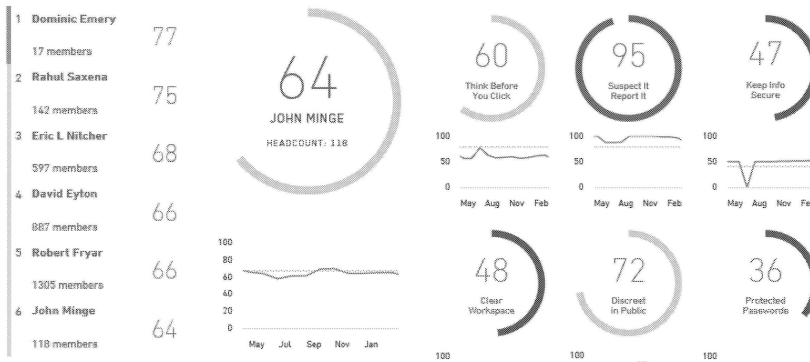
## HSSE metrics



- 0 reported incidents on ~ 42,000 hours worked and ~ 42,000 kilometers driven (estimated) each quarter
- Investigating was to improve Cybersecurity scores.

### TEAM RANKING

Monthly Annual TIME RANGE: 2016/4 TO 2017/3



# BP America

## Financial Data by Spend Category (\$m)



	2015 Actuals	2016 Actuals	2017 Plan	Adj.*	2017 Adj Plan	Q1 Actuals	% Spend
Staffing Costs	29.3	23.3	22.0	0.7	22.7	6.5	29
Shared Based Payments	2.4	1.8	1.8	-	1.8	0.4	25
Travel & Entertainment	1.7	1.8	2.2	-	2.2	0.6	27
Lobbying, Events, Other Consulting	12.3	7.5	6.8	3.0	9.8	2.3	24
Contributions	6.8	8.2	8.7	(1.4)	7.4	1.9	26
Contributions – BP Foundation	5.7	5.7	9.7	(0.5)	9.2	-	0
USOC Sponsorship / Activation	6.4	5.1	-	1.2	1.2	-	0
Alaska	6.8	5.5	6.9	-	6.9	2.0	29
Membership – API	9.8	8.6	8.5	-	8.5	2.1	25
Memberships- Other	7.3	10.0	6.9	(0.6)	6.3	1.3	21
Rent and Other	4.9	4.6	4.4	-	4.4	1.0	23
Defend BP	0.4	0.0	1.5	(1.2)	0.3	-	0
<b>Gross Cash Costs</b>	<b>93.8</b>	<b>82.0</b>	<b>79.4</b>	<b>1.2</b>	<b>80.6</b>	<b>18.1</b>	<b>22</b>

\* Adj. reflects Plan LE, including +1.2 D&I HR transfer and 0.0 CoSec staff change

2018 Plan mirrors the original 2017 Plan

Gross cash costs:

- 2017 Plan of 79.4 million is 3% below 2016 actuals – PESC target
- Overall Plan +1.2 for HR D&I budget transfer (+1.4 annualized)
- 2017 Adj Plan reflects re-allocation of “accelerated spend” and Foundation reduction to Defend BP
  - 1.5 original Defend BP budget
  - 3.1 accelerated spend in 2016
  - 0.5 BP Foundation reduction
  - 5.1 Adjusted Defend BP**
  - (0.5) allocation to PIC
  - (1.2) allocation to Paralympics
  - (3.0) allocation to McKinsey
  - (0.1) BPMS150 incentive
  - 0.3 Remaining Defend BP**

# BP America

## Financial Data by Team (\$m)



	2015 Actuals	2016 Actuals	2017 Plan	Adjust	D&I	2017 Adj Plan	Q1 Actuals	% Spend
President	6.1	6.5	3.2	4.2	-	7.4	1.6	22
US Secretary	1.8	1.4	1.7	-	-	1.7	0.3	19
BPA VP / Oversight	13.2	5.0	2.8	(0.3)	-	2.5	0.9	37
C&EA	57.4	56.2	51.8	(2.2)	(4.6)	45.0	11.6	26
D&I Team	-	-	-	-	5.8	5.8	1.2	21
Shared Based Pay	2.4	1.8	1.8	-	-	1.8	0.4	25
Defend BP	0.4	0.0	1.5	(1.2)	-	0.3	-	0
Alaska	6.8	5.5	6.9	-	-	6.9	2.0	29
BP Foundation	5.7	5.7	9.7	(0.5)	-	9.2	-	0
<b>Gross Cash Costs</b>	<b>93.8</b>	<b>82.0</b>	<b>79.4</b>	<b>0.0</b>	<b>1.2</b>	<b>80.6</b>	<b>18.1</b>	<b>22</b>

### Gross cash costs:

1.5 original Defend BP  
2.8 accelerated spend - C&EA  
0.3 accelerated spend - BPA VP  
0.5 BP Foundation reduction  
**5.1 Adjusted Defend BP**  
(0.5) to C&EA (PIC)  
(1.2) to President (Paralympics)  
(3.0) to President (McKinsey)  
(0.1) to C&EA (BPMS150)  
**0.3 Remaining Defend BP**

2015/2016 Actuals – Defend BP spend of 1.4 million allocated back activities using those funds (e.g. Memberships)

# DWH

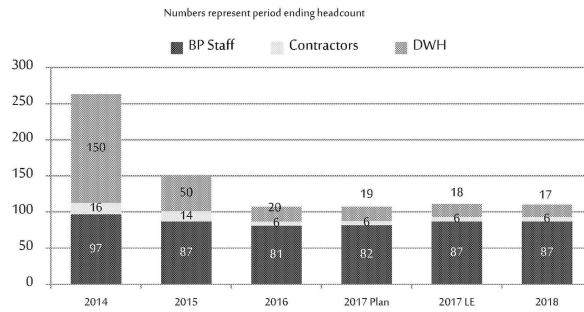
## Financial Data by Spend Category (\$m)



	2015 Actuals	2016 Actuals	2017 Plan	1Q Actuals	% Spend
Staffing Costs (incl. contractors)	14.4	6.3	5.5	1.1	20
Travel & Entertainment	0.6	0.3	0.3	0.1	25
Claims support	24.6	21.2	16.6	4.7	28
IT&S	44.3	19.3	22.5	3.4	15
BP Legal/ DBSC charge ins	11.9	12.7	6.5	1.4	22
Rent & Other	4.4	0.9	2.3	(0.1)	0
<b>Gross Functional Cash Costs</b>	<b>100.2</b>	<b>60.7</b>	<b>53.5</b>	<b>10.6</b>	<b>20</b>
Recoveries ( Cat Island, Other)	0.0	(17.2)	0.0	(0.3)	0
<b>RCOP</b>	<b>100.2</b>	<b>43.5</b>	<b>53.5</b>	<b>10.3</b>	<b>19</b>

- Expect IT&S costs to come in under Plan, but Claims support still at risk due to recent court ruling

# BP America Headcount Data



- 2017 latest estimate (LE)  
+4 HR D&I staff transfer  
+1 CoSec FTE
- DWH numbers exclude MSA
- See **Appendix** for additional 2017 FTE information
- 2017 LE includes 5 vacancies
  - 1 Reg Affairs
  - 1 State & Local
  - 1 Fed Affairs
  - 2 D&I

President	4	4	4	4	4	4
US CoSec	-	4	5	5	6	6
VP BPA	13	12	7	5	5	5
D&I Team	-	-	-	-	13	13
CSEA	80	67	65	68	59	59
<b>BP Headcount</b>	<b>97</b>	<b>87</b>	<b>81</b>	<b>82</b>	<b>87</b>	<b>87</b>
Contractors	16	14	6	6	6	6
<b>BP America</b>	<b>113</b>	<b>101</b>	<b>87</b>	<b>88</b>	<b>93</b>	<b>93</b>
<b>DWH - BP and contractors</b>	<b>150</b>	<b>50</b>	<b>20</b>	<b>19</b>	<b>18</b>	<b>17</b>

# BP America

## PESC Mid-Term Strategy: Request for data

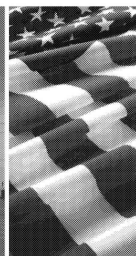
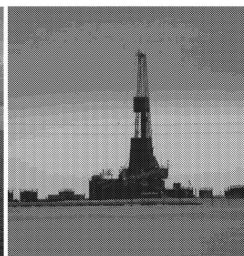


- Ahead of July PESC meeting, Functions to provide high level 3 year plan financials by 30th June
- PESC meetings split between July and September. However, the group planning process still requires that a 2018-20 Gross Cash costs view is collated for July
- The 2018-20 plan financials should provide best estimate as obtained from the benchmarking related project work-streams recommendations feeding into the PESC mid-term strategy review
- It is recognized that the PESC reviews in July and September may require further change to the Function plans submitted above
- **Recommendation** – submit 3 year plan financials at current 2017 LE of \$81 million until advised by benchmark project.



# BP America

Key priorities review





# DWH Liabilities

Further resolve outstanding claims (substantially winding up the DHECC) and positioning BP to litigate the remaining 'tail' in the future.



**DRAFT**

Key deliverables	Cash flow management						
<ul style="list-style-type: none"> <li>Plan on DHECC wind down and agreed structure with PSC and court to support residual activity                             <ul style="list-style-type: none"> <li>Recent 495 ruling under review, could impact cash flow metrics</li> </ul> </li> <li>Fit for purpose process for addressing Backend Litigation on Medical Settlement – <b>On track</b></li> <li>Plan to address remaining 'tail' litigation                             <ul style="list-style-type: none"> <li>Recent 495 ruling under review</li> </ul> </li> <li>Cash flow management                             <ul style="list-style-type: none"> <li>Claims payments and related admin expenses</li> <li>Functional costs</li> </ul> </li> </ul>	<p>2017 cash outflows \$m</p> <table border="1"> <thead> <tr> <th>Category</th> <th>2017 cash outflows (\$m)</th> </tr> </thead> <tbody> <tr> <td>Plan *</td> <td>5,252</td> </tr> <tr> <td>LE</td> <td>5,112</td> </tr> </tbody> </table> <p>* 01/2017 Plan update</p> <p><b>Recent 495 ruling</b></p> <ul style="list-style-type: none"> <li>5<sup>th</sup> Circuit reversed industry specific methodologies and affirmed annual variable margin</li> <li>Financial impacts ???</li> <li>Legal strategy ???</li> </ul>	Category	2017 cash outflows (\$m)	Plan *	5,252	LE	5,112
Category	2017 cash outflows (\$m)						
Plan *	5,252						
LE	5,112						

# **Redacted - First Amendment**

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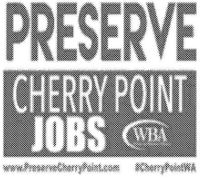
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# Defeat Efforts to Restrict Cherry Point Ops

Defeat or significantly mitigate efforts by the Whatcom County Council to restrict Cherry Point's ability to operate and expand while bolstering Cherry Point's standing.



Key deliverables	Current status
<ul style="list-style-type: none"> <li>Conduct education meetings with every Cherry Point employee and contractor (IQ)</li> <li>Meet with each member of the Planning Commission and County Council (IQ)</li> <li>Execute paid media plan (IQ)</li> <li>Mobilize all allies to attend public hearings (IQ)</li> </ul>	<ul style="list-style-type: none"> <li><b>Strategy session week of June 5<sup>th</sup></b> <ul style="list-style-type: none"> <li>Updates provided during QPR</li> </ul> </li> </ul>
 	Recent events
	<ul style="list-style-type: none"> <li>May 16<sup>th</sup> public hearing</li> </ul> <p><i>The Bellingham Herald</i></p> <ul style="list-style-type: none"> <li>Refinery workers, mostly from BP, and representatives turned out in force Tuesday</li> <li>"Without investment, business decays," said Bob Allendorfer, refinery manager for BP Cherry Point. "We lose jobs and the community suffers."</li> <li>Supporters of the changes also showed up in big numbers.</li> <li>Council members approved the measures 6-1 after hours of public comment.</li> </ul>

# **Redacted - First Amendment**

# Energy Transitions

Assess current and emerging developments and policies in the US with potential impact on long-term structure of US energy systems and BP businesses in the US.



Scope	Key deliverables
<ul style="list-style-type: none"> <li>Assess impact of industry developments and policy reorientation on energy systems and on BP's businesses in the US, including:                             <ul style="list-style-type: none"> <li>Hydrocarbon development</li> <li>Competition from other sources of energy</li> <li>Electrification</li> <li>Transport de-carbonisation, penetration of Electric Vehicles (EVs), automation, ride-sharing</li> <li>Digital and technology revolutions affecting energy industries</li> <li>Carbon pricing and emissions trading</li> <li>Social stewardship driven policy, consumer preferences, and energy efficiency</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Detailed scope of study, principles, and delivery plan (IQ) - <b>Complete</b></li> <li>Internal alignment with Group strategy and long-term planning, policy, Group Economics and Group Technology - <b>Complete</b></li> <li>Baseline data collection from internal and external sources - <b>Complete</b></li> <li>Base case country profile developed - <b>Complete</b></li> </ul>
	Next steps
	<ul style="list-style-type: none"> <li>Validate base case with the core team</li> <li>Define and assess forces that play a role in shaping the energy systems in the US</li> <li>Develop competitive landscape, including non-traditional players</li> <li>Develop uncertainties specific to the US, identify common insights and the outlier factors</li> <li>Assess findings with core team/consolidate feedback</li> <li>Finalize the analysis and share with the team (end 3Q)</li> </ul>



# **Redacted - First Amendment**

# **Redacted - First Amendment**

# Reputation - Safety Campaign




Continue to improve the perception of BP as a "safe and reliable operator" among target audiences so that we can continue to protect and expand our license to operate in the U.S.

Key deliverables	Additional activities
<ul style="list-style-type: none"> <li>▪ Create new safety content by mid-March (1Q) - <b>Complete</b></li> <li>▪ Improve or maintain safety metrics in polling among target audience in Washington, D.C. (1Q) - <b>Complete</b> <ul style="list-style-type: none"> <li>• IQ polling showed significant improvements in safety-related attributes and trust</li> <li>• Key broader metrics were stable</li> </ul> </li> <li>▪ Amplify the new content internally to educate and empower employees (1Q) - <b>Complete</b> <ul style="list-style-type: none"> <li>• Employee communication, exec town hall videos, and print ads.</li> </ul> </li> <li>▪ Decide whether we will continue to advertise during remainder of year (3Q)</li> <li>▪ Determine 2018 advertising strategy (4Q)</li> </ul>	<ul style="list-style-type: none"> <li>▪ New "sponsored content" safety stories</li> <li>▪ Radio ads for launch in 2Q and new digital ads on adaptive technology</li> <li>▪ New TV spot on safety culture new TV spots on Lower 48 technology and Plant Operations, launch in 3Q.</li> <li>▪ Video content for TSA screens at DCA</li> </ul>
	<b>State of play</b> <ul style="list-style-type: none"> <li>▪ Developing new safety stories to keep campaign fresh</li> <li>▪ Finalizing more targeted media plan for 2H because of budget constraints</li> <li>▪ Saw real progress among our target audience on safety, standing significantly dropped off among others who had not seen our messages</li> </ul> <p><b>Maybe graph of polling might be useful here</b></p>

# Outreach – OTC and API Alignment

Leverage BP membership in major trade groups, boards, and participation in events in service of top business priorities



Key deliverables	Additional activity
<p>OTC - Value through reputation &amp; engagement</p> <ul style="list-style-type: none"> <li>OTC formal program: <ul style="list-style-type: none"> <li>13 BP execs in panels and breakfasts</li> <li>18 technical papers/poster sessions</li> <li>Founding sponsor and delivery of OTC Energy Challenge (High School STEM session)</li> </ul> </li> <li>BP Suite – fully refreshed. Hosted delegations, supplier diversity, technology, IR, press, STEM</li> <li>Strategic Supplier Forum - 40*, 3 diverse suppliers</li> <li>UK Dept. of International Trade reception</li> </ul> <p><i>Positive press (34 articles, strong social media)</i></p> <p>API - Align and influence</p> <ul style="list-style-type: none"> <li>Executive Committees - Exec preparation</li> <li>BP's Priorities - understand and influence</li> <li>Internal alignment <ul style="list-style-type: none"> <li>Qtrly Issues Highlights developed and shared</li> <li>Weekly association calls and briefing/ debriefing calls for Upstream meetings</li> </ul> </li> </ul>	<p>Value from Trade Organizations - Reviewing BP US trade association memberships to align messaging and optimize:</p> <ul style="list-style-type: none"> <li>BP representation and key contacts</li> <li>Remits and alignment amongst organizations</li> </ul> <p><i>To be aligned with BPA Priorities work in 3Q 2017</i></p> <p><b>BP OTC Suite - The Connected Upstream</b></p>  <p><i>800+ visitors with formal delegations from 9 countries</i>  <i>Overall OTC project completed under budget (\$862k)</i></p>

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## OTC delegations

Azerbaijan (Natig Aliyev – Minister of Energy)

Brazil (Fernando Coelho Filho, Minister of Mines and Energy; Decio Oddone, ANP Director General; Marcio Felix Bezerra, Secretary of Oil, Natural Gas and Biofuels; Jorge Camargo, President IBP)

Canada (Siobhan Coady – Newfoundland Minister of Natural Resources)

Kuwait (KOC)

Mauritania (Abdel Vetah, Minister of Petroleum, Energy & Mines)

Mexico (PEMEX CEO Jose Antonio Gonzalez Anaya)

Norway (NORWEP)

UK (Sir Patrick Brown, Chairman of the Board, UK Oil and Gas Authority)

US (API visitors)

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## BP Executive panels/talks

Industry Breakfast- A Fresh Look at the Gulf of Mexico: How Oil and Gas Companies Can Adapt to the New Challenges of Operating Safely and Efficiently in the Deepwater, Mon, May 1 (7:30-9:00) Richard Morrison, Regional President GoM

Mad Dog panel – Mon, May 1 (9:30 – 12:00) Mad Dog Field: A Multi-Disciplinary Look at the Opportunities, Technology Breakthroughs, Challenges and Learnings of a Giant Deepwater Field Development. Cindy Yeilding, Aleida Rios, Doris Reiter, Bill Steel, Pramod Singh

Industry Breakfast: Regional Developments in the Caspian: Azerbaijan, Kazakhstan, and the Turkish Energy Corridor Tues, May 2 (7:30 – 9:00) Emily Olson, VP C&EA Southern Corridor

Bringing Upstream Projects to Final Investment Decision panel – Tues, May 2 (14:00-16:00) Starlee Sykes, VP Projects, Deepwater

UK North Sea : Strategy and Innovations to Late Life and Decommissioning – Wed, May 3 (7:30 – 9:00) Win Thornton, VP of Decommissioning

Industry Breakfast: Mauritania and Senegal's New Offshore Gas Developments – Wed, May 3 (7:30 – 9:00) Bernard Looney, Chief Executive, Upstream

Center for Offshore Safety breakfast – Thurs, May 4 (7:30 – 9:00) Aleida Rios, VP Operations GoM

Center for Offshore Safety panel – Thurs, May 4 (9:30 – 12:00), Fuzzy Bitar, Head of Global Operations

Will Mexico Drive a Deepwater Renaissance? – Thurs, May 4 (9:30 – 12:00), Felipe Arbelaez, Regional President, Latin America

# BP America

## Planning and Performance Management Framework



COVER NOTE \_\_

# BP America

## Mission

Defend and support BP's US businesses to maximize shareholder value through:

- Building and maintaining relationships with government and communities to ensure strong business support
- Mitigating external threats and leveraging opportunities to support business objectives
- Providing connectivity between BP Group and US businesses, overseeing ethics and compliance, US benefits, and diversity & inclusion
- Determining BP's positions and developing key messages on US policy
- Maintaining the corporate governance process, providing oversight of external obligations
- Protecting and promoting BP's reputation as a safe, reliable and a compliant operator with employees, shareholders, and customers
- Providing internal and external coherence across BP's US businesses



### Oversight and Governance

Provide oversight to BP businesses in the US  
Assure integrity of the corporate governance process through:

- BP America Board
- Subsidiary boards
- Oversight and assurance of completion of residual DWH agreements and activities
- Oversight for all material obligations

### Support to US businesses

Deliver on top priorities in service of businesses through managing overarching issues and via the embedded teams in:

- GOM
- Alaska
- L48
- Fuels NA
- Petrochemicals
- IST
- BP Wind
- Remediation Management
- BP Shipping

### Communications & External Affairs

Deliver functional support through:

- Federal Government Affairs
- Regulatory Affairs
- State and Local Affairs
- Internal/External Communications
- International Affairs
- Community Investment
- Sponsorships
- Employee Engagement (CAP/PAC)

Redacted - First Amendment

### BPA People Agenda

Provide oversight for US employee programs, provide leadership to support morale and motivate staff leveraging BP America identity:

- Diversity & Inclusion
- Benefits
- Employee Concern
- Code of Conduct
- Ethics & Compliance
- Values & Behaviors

Ongoing activities to protect and grow BP's reputation and licence through government, public, employee engagement and corporate social responsibility

# Governance and Performance Management



	Purpose	Inputs	
BPA Governance	<b>BPA Board Meetings</b>	Provide oversight for all material risks and obligations, maintain integrity of the corporate governance	<ul style="list-style-type: none"> <li>Business and functional submissions</li> <li>Milestones &amp; risks</li> </ul>
	<b>D&amp;I Council</b>	Provide governance to progress US minority ambition	<ul style="list-style-type: none"> <li>D&amp;I Plan</li> </ul>
	<b>Benefits Committee</b>	Provide leadership and oversight for US employee benefits programs	<ul style="list-style-type: none"> <li>Pension &amp; retirement plans</li> <li>Health and other employee benefits</li> </ul>
	<b>Employee Concern</b>	Review employee grievances, investigations, open talk submissions to Business Integrity	<ul style="list-style-type: none"> <li>Open action items</li> <li>Updates from Open Talk</li> </ul>
BPA Plan and Performance Management	<b>Quarterly Performance Review</b>	Review performance and align objectives	<ul style="list-style-type: none"> <li>AOP</li> <li>Performance update</li> <li>Other input as needed</li> </ul>
	<b>People Day</b>	Agree and oversee the implementation of the People Plan for BP America	<ul style="list-style-type: none"> <li>People Plan</li> <li>Milestones</li> </ul>
	<b>C&amp;EA business update and milestones review</b>	Review business support plans held by embedded C&EA teams and align on performance objectives and milestones	<ul style="list-style-type: none"> <li>BPA Plans by Business</li> </ul>
	<b>GFO/GFR review/submission</b>	Review LE spend and headcount metrics, initiate interventions as required	<ul style="list-style-type: none"> <li>Financial and headcount metrics</li> </ul>
	<b>Risk Review</b>	Review risk register, rankings, and assurance ahead of Group submission	<ul style="list-style-type: none"> <li>RMR submission</li> <li>Risk Action Plans</li> </ul>



# BP America 2017 Planning Calendar

BP Confidential



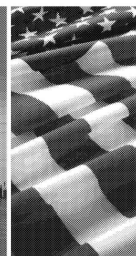
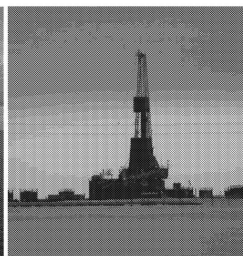
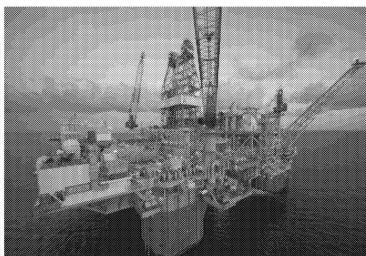
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>BPA Governance</b>												
BP America Board meetings		▲ Feb 16			▲ May 18			▲ Aug 24				▲ Dec 13
L48 Board meetings	▲ Jan 27			▲ Apr 20			▲ Jul 27				▲ Nov 9	
D&I Council		Feb 14			May 17			Aug 21				Dec 12
Employee Concerns				▲ Apr 25		▲ Jun 13		▲ Aug 21		▲ Oct 17		▲ Dec 5
Benefits Committee		▲ Feb 15		▲ Apr 17			▲ Jul 13		▲ Sept 21			▲ Dec 14
DWH Quarterly Due Diligence	▲ Jan 23			▲ Apr 24			▲ Jul 20					
<b>BPA Plan and Performance</b>												
Quarterly Performance Review		▲ Feb 28				▲ Jun 13		▲ Aug 22				▲ Dec 11
People Day				▲ Apr 18			▲ Jul 11			▲ Oct 10		▲ Dec 12
Risk Review								▲ Aug 22				
GFR/GFO Submissions	▲ Jan 12	▲ Feb 27		▲ Apr 12	▲ May 29		▲ Jul 12	▲ Sept 4		▲ Oct 11	▲ Nov 6	
<b>C&amp;EA</b>												
Weekly Call	x4	x4	x4	x4	x4	x4	x4	x4	x4	x4	x4	x4
Quarterly Milestone review and business update				▲ Apr 19-20			▲ Jul 18-19					
Annual All-Hands		▲ Feb 7-9										
<b>External</b>												
API Executive Committee			▲ Mar 22-23			▲ Jun 14					▲ Nov 13	
US Chamber of Commerce						▲ Jun 8					▲ Nov 9	
<b>BP Executive Meetings</b>												
Upstream - RP/HOF				▲ Apr 4-7							▲ Oct 30-Nov 2	

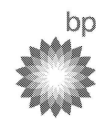
As of 18<sup>th</sup> May 2017

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# BP America AOB





## BP America

### APPENDIX – Financial and Headcount Information



# BP America

## Defend BP (\$m)



### By Cost Category

<b>1.5</b>	<b>Original Defend BP budget</b>
Sources of Defend BP budget	
0.3	Lobbying, Events, Other - OTC
0.5	Contributions - Chicago Architecture Biennial
0.5	Contributions - Student Conservation Assoc.
0.3	Contributions - Houston Livestock and Rodeo
0.3	Contributions - CERA Week Sponsorship
0.3	Contributions - National MS Society (BP MS 150)
0.3	Memberships - Western States Petroleum Assoc.
0.3	Memberships - Grow Louisiana Coalition
0.1	Memberships - Greater Houston Partnership
0.2	Memberships - LA Mid-Con O&G Assoc.
0.5	Contributions - BP Foundation
<b>5.1</b>	<b>Adjusted Defend BP budget</b>
Uses of Defend BP budget	
(0.5)	Contributions - Presidential Inauguration
(1.2)	USOC Sponsorship - Paralympics
(3.0)	Lobbying, Events, Other - McKinsey
(0.1)	Lobbying, Events, Other - BP MS150 incentive program
<b>0.3</b>	<b>Remaining Defend BP budget</b>

### By Team

<b>1.5</b>	<b>Original Defend BP budget</b>
Sources of Defend BP budget	
0.3	VP BPA - OTC
2.8	C&EA Team - Various
0.5	BP Foundation
<b>5.1</b>	<b>Adjusted Defend BP budget</b>
Uses of Defend BP budget	
(3.0)	President - McKinsey
(1.2)	President - Paralympics
(0.5)	C&EA - Presidential Inauguration
(0.1)	BP MS150 incentive
<b>0.3</b>	<b>Remaining Defend BP budget</b>

# BP America

## 2017 Headcount movements



Team	2017 Plan	2017 Adjusted	HR D&I / CoSec	2017 LE	% Staff
President	4	4	-	4	5%
US CoSec	5	5	1	6	7%
VP BPA	5	5	-	5	6%
D&I	0	9	4	13	15%
C&EA - Ext Affairs	11	0	-	0	0%
C&EA - S&L Affairs	18	20	-	20	23%
C&EA - Alaska	5	5	-	5	6%
C&EA - Reg Affairs	12	13	-	13	15%
C&EA - Fed Affairs	6	6	-	6	7%
C&EA - Strategy & Plan	16	15	-	15	17%
C&EA - USOC	0	0	-	0	0%
<b>Total BP Staff</b>	<b>82</b>	<b>82</b>	<b>5</b>	<b>87</b>	<b>100%</b>

<b>Payroll \$m</b>	<b>22.0</b>	<b>22.8</b>	<b>1.2</b>	<b>24.0</b>
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<b>Total Cash Costs \$m</b>	<b>79.4</b>	<b>79.4</b>	<b>1.2</b>	<b>80.6</b>
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- US CoSec FTE offset with K&E staff reduction
- 2017 Adj. - higher benefit rates primarily driving increased payroll costs of ~\$0.8m versus Plan
- Annualized total cash cost is \$1.4 million

# BP America

## Team budgets



Totals may not add up due to rounding

2017 Plan Adjusted \$m	President incl SBP	US CoSec	VP BPA	D&I	Strategy & Plan	Federal Affairs	Reg Affairs	State & Local	Alaska*	2016 LE	
Staffing Costs	4.2	1.0	1.6	2.8	3.3	2.0	4.4	5.2	1.3	<b>25.8</b>	
T&E	0.3	0.2	0.1	0.2	0.6	0.2	0.2	0.5	0.2	<b>2.5</b>	
Lobby, Events, Consult	3.2	0.4	0.7	0.5	1.7	1.3	0.4	1.4	1.0	<b>10.7</b>	Slide 32
Contributions	1.5	0.0	0.0	1.2	0.7	0.3	0.5	4.5	3.5	<b>12.1</b>	Slide 33
Contribution – Foundation	0.0	0.0	0.0	9.2	0.0	0.0	0.0	0.0	0.0	<b>9.2</b>	Slide 33
Memberships	0.0	0.0	0.0	0.9	0.1	0.1	3.4	1.8	0.9	<b>7.1</b>	Slide 34
Membership – API	0.0	0.0	0.0	0.0	0.0	0.0	8.5	0.0	0.0	<b>8.5</b>	Slide 34
Defend BP	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.3</b>	
Rent and Other	0.0	0.1	0.1	0.1	3.8	0.1	0.0	0.2	0.0	<b>4.4</b>	Slide 35
<b>Total</b>	<b>9.5</b>	<b>1.7</b>	<b>2.5</b>	<b>15.0</b>	<b>10.1</b>	<b>4.0</b>	<b>17.3</b>	<b>13.6</b>	<b>6.9</b>	<b>80.6</b>	

\* Alaska is a separate line item in the earlier Financials by Spend Category table (Slide 8) so, totals by category will not tie exactly to this table.

# BP America

## 2017 financials and budgets



Lobbying, Events , Consult \$m	2015 Actuals	2016 Actuals	2017 Adj Plan	2018 Plan	Comments
President - McKinsey	0.0	0.0	3.0	0.0	2017 allocation of Defend BP funds – risk project extension
President – Other	0.2	0.1	0.2	0.2	
CoSec	0.8	0.4	0.4	0.4	2016 - 2018 staff augmentation
VP BPA – OTC	1.2	0.7	0.5	0.9	2017 Adj Plan - 0.3 for accelerated spend in 2016
VP BPA – Other	4.8	1.6	0.2	0.2	2016 spend includes offsite storage project
D&I – BRG	0.0	0.0	0.2	0.2	Part of HR D&I transfer
D&I – Other	0.5	0.4	0.4	0.4	
S&P – MS150	0.4	0.3	0.4	0.4	
S&P – NRG/Texans/HLSR	0.1	0.4	0.4	0.4	
S&P – Other	0.6	0.8	0.9	0.9	
Federal Affairs	1.3	1.3	1.3	1.3	
Regulatory Affairs	0.5	0.4	0.4	0.4	
State & Local Affairs	1.9	1.2	1.4	1.4	
<b>Sub-total</b>	<b>12.3</b>	<b>7.5</b>	<b>9.7</b>	<b>7.1</b>	
Alaska	1.0	0.6	1.0	0.7	
<b>Total</b>	<b>13.3</b>	<b>8.1</b>	<b>10.7</b>	<b>7.8</b>	

Totals may not add up due to rounding

# BP America

## 2016 Financials and budgets - BP America Function



Contributions / USOC \$m	2015 Actuals	2016 Actuals	2017 Adj Plan	2018 Plan	Comments
President – USOC *	6.4	5.1	1.2	0.0	2017 allocation of Defend BP funds
President - Other	0.1	0.3	0.3	0.3	
D&I – BP Foundation	5.7	5.7	9.2	9.7	2017 reduced by 0.5
D&I – Other	1.2	1.0	1.2	1.2	2017 includes 0.2 US Hispanic Chamber of Commerce
S&P – PAC matching	0.3	0.4	0.4	0.4	
S&P – National MS (BP MS150)	0.2	0.6	0.0	0.3	2017 Adj Plan -0.3 for accelerated spend in 2016
S&P – HLSR	0.0	0.6	0.0	0.3	2017 Adj Plan -0.3 for accelerated spend in 2016
S&P – CERA	0.0	0.6	0.0	0.3	2017 Adj Plan -0.3 for accelerated spend in 2016
S&P – Other	0.5	0.3	0.3	0.3	
Federal Affairs	0.5	0.3	0.3	0.3	
Regulatory Affairs	0.8	0.5	0.5	0.5	2017 includes 0.2 NAC for Minorities in Engineering
S&L - Chicago Arch. Biennial	0.0	0.5	0.5	0.0	2017 Adj Plan -0.5 for accelerated spend in 2016
S&L Student Conservation Assoc.	0.0	0.5	0.0	0.0	2017 Adj Plan -0.5 for accelerated spend in 2016
S&L - Presidential Inauguration	0.0	0.0	0.5	0.0	2017 allocation of Defend BP funds
S&L – Other	3.1	2.7	3.5	4.5	2016 underspent against Plan, offset with Memberships
Other C&EA	0.0	0.0	0.0	0.4	
<b>Sub-total</b>	<b>18.9</b>	<b>19.0</b>	<b>17.8</b>	<b>18.5</b>	
Alaska	2.9	2.7	3.5	3.5	
<b>Total</b>	<b>21.8</b>	<b>21.7</b>	<b>21.3</b>	<b>22.0</b>	

\* 2015 and 2016 include amounts from C&EA budgets

Totals may not add up due to rounding



# BP America

## 2016 Financials and budgets - BP America Function



Memberships \$m	2015 Actuals	2016 Actuals	2017 Adj Plan	2018 Plan	Comments
D&I	0.6	0.6	0.9	0.9	Includes 0.3 HR D&I transfer
Strategy & Planning	0.1	0.1	0.1	0.1	
Federal Affairs	0.1	0.1	0.1	0.1	
Reg Affairs – API	9.8	8.5	8.5	8.5	
Reg Affairs – US Chamber	2.0	2.0	2.0	2.0	
Reg Affairs – Nat'l Petrol Council	0.3	0.2	0.2	0.2	
Reg Affairs – Grow Louisiana Coal	0.3	0.6	0.1	0.4	2017 Adj Plan -0.3 for accelerated spend
Reg Affairs – NAM	0.7	0.9	0.5	0.5	
Reg Affairs – Other	0.4	0.6	0.6	0.6	
S&L – WSPA	0.9	1.6	1.3	1.7	2017 Adj Plan -0.3 for accelerated spend
S&L – Texas Litigation Reform	0.0	0.6	0.0	0.0	2016 charge includes funding over next several years
S&L – LA Mid-Con O&G Assoc.	0.3	0.6	0.0	0.2	2017 Adj Plan -0.2 for accelerated spend
S&L – Greater Houston Ptnshp	0.1	0.2	0.0	0.1	2017 Adj Plan -0.1 for accelerated spend
S&L – Other	1.6	2.0	0.5	0.4	2016 overspent vs Plan offset with reductions in Contributions
<b>Sub-total</b>	<b>17.1</b>	<b>18.6</b>	<b>14.8</b>	<b>15.7</b>	
Alaska	0.6	0.2	0.9	0.9	
<b>Total</b>	<b>17.7</b>	<b>18.8</b>	<b>15.6</b>	<b>16.6</b>	

Totals may not add up due to rounding

# BP America

## 2016 Financials and budgets - BP America Function

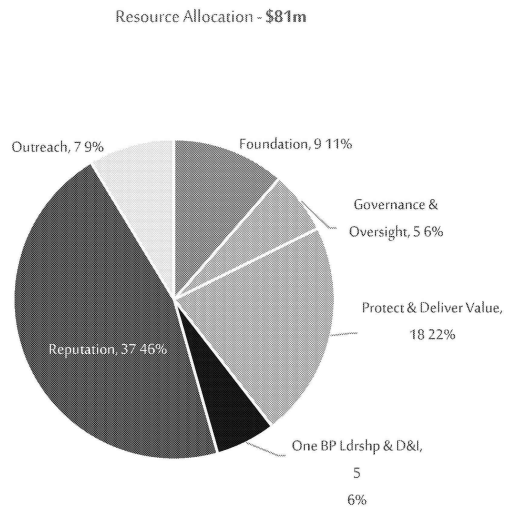
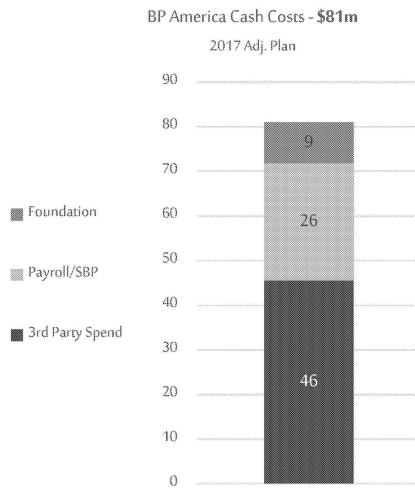


Rent and other \$m	2015 Actuals	2016 Actuals	2017 Adj Plan	2018 Plan	Comments
DC Office - Rent, etc.	3.0	3.3	3.3	3.3	
Legal charge ins	0.9	0.5	0.5	0.5	
Other	1.0	0.8	0.6	0.6	
<b>Total</b>	<b>4.9</b>	<b>4.6</b>	<b>4.4</b>	<b>4.4</b>	

Totals may not add up due to rounding

# BP America

## Cash costs and AOP resource allocation



BP America's Plan cash costs of \$79.4 million are increased by \$1.2 million to a total of \$80.6 million for HR D&I and CoSec activity transfers



## BP America Risk Management Information



## 2016 BP America Group-Level Risks

**1) Damage to BP's Reputation** – BP America's license to operate and its ability to advocate on issues are at risk should we fail to continue strengthening BP's reputation while also anticipating and addressing new threats to it. Key stakeholders include the media, key legislators, relevant regulators and other opinion leaders in Washington, D.C., and near our assets.

Such threats to BP's reputation include operational/safety incidents, ethical lapses and compliance issues. Although DWH is increasingly less of a drag on reputation, other litigation issues present risk to our public standing. Overall negative sentiment about the oil and gas industry also threatens to drag down BP's reputation. The policy and politics of climate change is dealt with in the separate risk statement regarding US Regulatory policies.

These risks have the potential to undermine not just our public standing and credibility but also investor confidence in the company. And without a solid reputation, BP also risks any number of initially small issues or incidents ballooning into significant problems that affect the bottom line.

**SPA: Geoff Morrell. Net Risk: D4. Worst Credible Impact: C**

**2) Harmful New US Regulatory and Tax Policies** – BP's ability to operate and grow its US businesses could be threatened by failure to effectively address the potential negative impacts of new federal, state and local regulations and policies, including climate, environmental, safety, and tax policies.

**SPA: John Mingé. Net Risk: D6. Worst Credible Impact: C**

**3) Compliance with the EPA Agreement** – An event occurs that causes the suspension and debarment officer to find that BP has failed to comply with the terms of the Agreement or the ethics monitor determines that BP is out of compliance. This could lead to a re-suspension of BP's US businesses from contracting with the US government.

**SPA: John Mingé. Net Risk: D2. Worst Credible Impact: C**

See Appendix for additional details, including controls, contingencies and monitoring.

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## Other significant BPA business risks (not submitted to Group)

**4) Failure to effectively transition Ombudsman Activity** – Following closure of the Office of the Ombudsman (DOM), failure to effectively transition and embed the related activities into BP's E&C organization, resulting in a concern being raised but not effectively or timely addressed. **SPA: Randy Latta, Net Risk E3**

**5) Failure to manage bribery and corruption risks** – The nature of the activity set for BP America staff, particularly Office of the Chairman and CSEA involves significant interaction with Government Officials. Failure to effectively manage the actual or perceived bribery and corruption risks could lead to regulatory enforcement, significant financial penalties and damage to BP's reputation. **SPA: Abdinasir Ali, Net Risk E3**

**6) Risk of loss or unavailability of DWH data** – The potential loss or unavailability of GCRO and third-party data and/or data management infrastructure could significantly affect the ability to support legal and financial needs. **SPA: Craig Coburn, Net Risk E3**

**7) Failure to improve diversity and inclusion** – An insufficiently diverse and inclusive BP America will lead to business opportunity loss. Lack of inclusive culture lead to low employee engagement and potential retention issues. The major area of risk in BPA relates to D&I BP America failure to improve and progress ethnic representation in alignment with external and internal availability; our underpinning people processes including hiring practices, performance management and separation must be meritocratic. **SPA: HR Function – Ray Dempsey, Net Risk E5**

See Appendix for details related to controls, contingencies and monitoring.

4

# BPA 2016 Risks Matrix

	Likelihood							
	1 Remote possibility <1/million	2 <1 in 100k	3 Seen in industry <1 in 10k	4 Seen in BP <1 in 1k	5 <1 in 100 facility years	6 <1 per 10 facility years	7 Event likely, <1/yr	8 Common >1/yr at location
Business Net Impact Level	A >\$20bn							
	B >\$5bn							
	C >\$1bn							
	D >\$100m		3-EPA compliance	1- Reputation		2- Government Policies		
	E >\$5m		4-Ombudsman 5- E&C: ABC 6- DWH data		7- D&I			
	F >\$0.5m							
	G >\$50k							
	H <\$50k							

Plotting all risks on a single Risk Matrix provides a visual representation of the assessment of risk. It should not be interpreted as prioritising the allocation of resources for the management of one risk over another, as each risk is different, has specific consequences and requires the appropriate consideration of required Risk Management Activities and Actions.