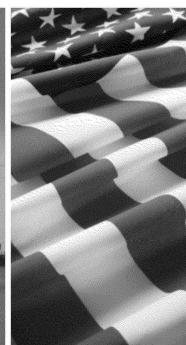




# BP America

## Quarterly Performance Review



11<sup>th</sup> December 2017  
2pm – 5pm

BPA\_HCOR\_00337847

# BP America

## Agenda



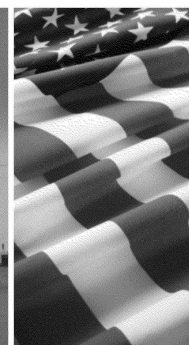
- Introduction/Context (10 min)
- Risk and KPI – HSSE / 2017 financials / headcount (45 min)
- Key priority updates (60 min ~ 10 min each)
  - 1) Provide oversight for all material DWH obligations (Craig)
  - 2) Ensure BP's interests are reflected in comprehensive tax reform (Mary)
  - 3) Reform agency rulemaking (Bob)
  - 4) GoM access (Cindy)
  - 5) Preserve the role of gas as a destination fuel (Bob)
- 2018 GFOz and Priority setting (30 min)
- AOB (10 min)





# BP America

## Risk and KPI review



BPA\_HCOR\_00337849

# BP America

## Risk management



| A1. Group-Level Risks*                                                                |                                                      |                                  |               |                                                                                                            |        |
|---------------------------------------------------------------------------------------|------------------------------------------------------|----------------------------------|---------------|------------------------------------------------------------------------------------------------------------|--------|
| Risk Level                                                                            | Risk Description                                     | Net Risk / Worst Credible Impact | SPA           | Commentary                                                                                                 | Status |
| Group Level Risk:<br>Strategic & Commercial - Failure to maintain underlying business | Damage to BP's Reputation                            | D4 / C3                          | Mary Streett  | Fundamental controls and contingencies still good. Reputation work plans reflect updated engagement plans. | ●      |
| Group Level Risk:<br>Strategic & Commercial - Failure to maintain underlying business | Harmful New US Regulatory and Tax Policies           | C6 / B5                          | Mary Streett  | Tax Policy/Rule plan continues to address this risk                                                        | ●      |
| Group Level Risk:<br>Strategic & Commercial - Failure to maintain underlying business | Compliance with the EPA Agreement                    | D2 / B3                          | 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 Level                                                                            | Risk Description                                     | Severity                         | ELT Owner     | Commentary                                                                                                 | Status |
| Significant BPA Business Risk                                                         | Failure to effectively transition Ombudsman Activity | E3                               | Randy Latta   | Activities fully transitioned to E&C and BI. Controls and monitoring in place and operating effectively.   | ●      |
| Significant BPA Business Risk                                                         | 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              | ●      |
| Significant BPA Business Risk                                                         | Risk of loss or unavailability of DWH data           | E3                               | Craig Coburn  | Transitioned to IT&S as part of normal BAU. Controls and contingencies in place and operating effectively. | ●      |
| Significant BPA Business Risk                                                         | Failure to improve diversity and inclusion           | E5                               | Ray Dempsey   | New construct for D&I established Jan 2017, Minority Ambition underway                                     | ●      |

- Group level risks reviewed / updated as part of annual risk review – Aug/Sep
- Two business level risks removed:
  - Ombudsman - Controls in place and managed / monitored by BI team
  - DWH data - data fully integrated within standard BP BCP and covered by IT&S

Private and Confidential

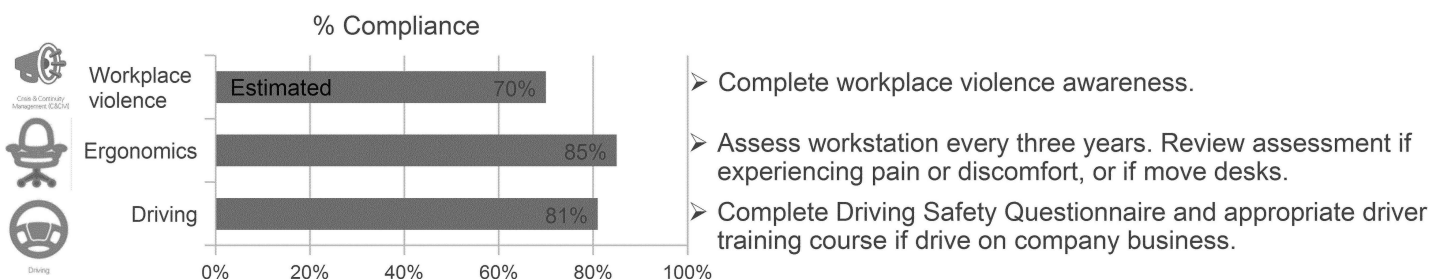
BPA\_HCOR\_00337850

# BP America

## HSSE program



### Safety Compliance



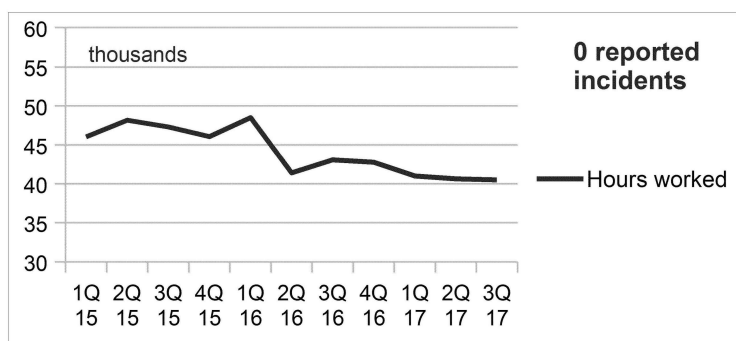
### Safety and Security Management

|                   | Q1 | Q2 | Q3 | Q4 |                                                                                                                                 |
|-------------------|----|----|----|----|---------------------------------------------------------------------------------------------------------------------------------|
| Safety walk thru  |    | ✓  |    | ✓  | ➤ Know / follow HSSE rules at site and other sites you visit, be aware of surroundings. Know your HSSE Champion / floor warden. |
| Digital awareness |    |    | ➔  | ✓  | ➤ Understand and follow the digital security policy.                                                                            |
| IRIS rollout      |    |    |    |    | ➤ Know when and how to report incidents and unsafe behaviors or conditions.                                                     |
| Offsite events    | ✓  |    |    |    | ➤ Carry out risk assessment for off-site /ad-hoc events. Communicate risk mitigation to those potentially impacted.             |
|                   | ✓  | ✓  | ✓  | ✓  |                                                                                                                                 |

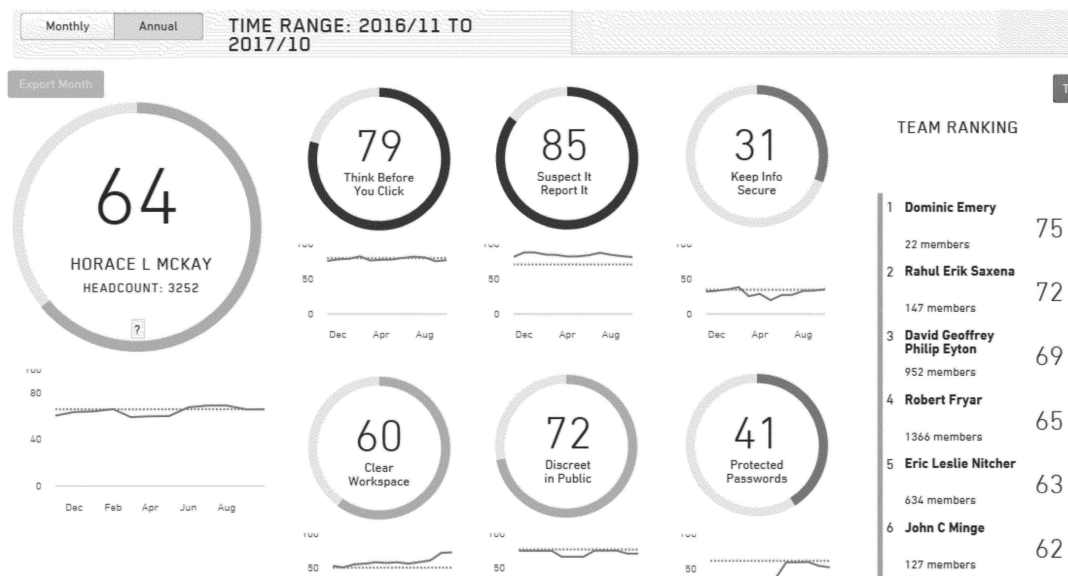
✓ Complete

# BP America

## HSSE metrics (RIF and Cyber Security)



- 0 reported incidents on ~ 40,000 hours worked each quarter
  - No reported incidents (including October/November 2017)
- Digital awareness communications sent October - aimed to help mitigate cyber risks



# BP America

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



|                               | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Plan | Adjust*    | 2017 LE     | Nov<br>YTD<br>Actuals | % Spend   | Remain<br>Dec<br>Budget | Comments                                       |
|-------------------------------|-----------------|-----------------|--------------|------------|-------------|-----------------------|-----------|-------------------------|------------------------------------------------|
| Staffing Costs                | 31.0            | 24.7            | 23.3         | 0.8        | 24.1        | 22.0                  | 91        | 2.1                     | Expect 0.6 > budget – 4Q ACB to be booked      |
| Shared Based Payments         | 2.4             | 1.8             | 1.8          | -          | 1.8         | 1.7                   | 92        | 0.1                     | Expect on budget                               |
| Travel & Entertainment        | 1.8             | 1.9             | 2.4          | -          | 2.4         | 1.9                   | 81        | 0.5                     | Potential 0.3 < budget based on monthly trend  |
| Lobbying, Events, Consulting  | 13.3            | 8.2             | 7.8          | -          | 7.8         | 6.0                   | 77        | 1.8                     | Potential 1.5 < budget based on monthly trend  |
| GoM Compliance Project        | 0.0             | 0.0             | 0.0          | 3.8        | 3.8         | 3.2                   | 85        | 0.6                     | Expect 0.2 > budget – full month charge in Dec |
| Contributions                 | 9.7             | 10.9            | 12.3         | (1.4)      | 10.9        | 8.0                   | 75        | 2.9                     | Potential 2.0 < budget based on monthly trend  |
| Contributions – BP Foundation | 5.7             | 5.7             | 9.7          | 0.6        | 10.3        | 8.7                   | 84        | 1.6                     | Expect on budget                               |
| USOC Sponsorship / Activation | 6.4             | 5.1             | -            | 1.2        | 1.2         | 1.2                   | 100       | 0.0                     | Expect on budget                               |
| Membership – API              | 9.8             | 8.6             | 8.5          | (1.6)      | 6.9         | 6.4                   | 93        | 0.5                     | Expect on budget                               |
| Memberships- Other            | 7.9             | 10.2            | 7.7          | (0.6)      | 7.1         | 4.3                   | 60        | 2.8                     | Chamber 2.0 funded in Dec                      |
| Rent and Other                | 5.4             | 4.9             | 4.5          | -          | 4.4         | 3.5                   | 81        | 0.9                     | Potential 0.3 < budget based on monthly trend  |
| Defend BP                     | 0.4             | 0.0             | 1.5          | (1.5)      | -           | 0.0                   | 0         | 0.0                     |                                                |
| <b>Sub-total cash costs</b>   | <b>93.8</b>     | <b>82.0</b>     | <b>79.4</b>  | <b>1.2</b> | <b>80.6</b> | <b>67.0</b>           | <b>83</b> | <b>13.6</b>             |                                                |
| Humanitarian Assistance       | -               | -               | -            | -          | 6.7         | 6.2                   | 92        |                         |                                                |
| <b>Total cash costs</b>       | <b>93.8</b>     | <b>82.0</b>     | <b>79.4</b>  | <b>1.2</b> | <b>87.3</b> | <b>73.2</b>           | <b>84</b> |                         |                                                |

\* Adj. reflects Plan LE, including +1.2 D&I HR transfer

# BP America

## Financial Data by Team (\$m)



|                             | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Plan | Adjust     | 2017<br>Adj Plan | Nov YTD<br>Actuals | % Spend   |
|-----------------------------|-----------------|-----------------|--------------|------------|------------------|--------------------|-----------|
| President                   | 6.1             | 6.5             | 3.2          | 5.0        | 8.2              | 7.4                | 90        |
| US Secretary                | 1.8             | 1.4             | 1.7          | -          | 1.7              | 1.2                | 71        |
| BPA VP / Oversight          | 13.2            | 5.0             | 2.8          | (0.3)      | 2.5              | 2.5                | 99        |
| D&I Team                    | -               | -               | -            | 5.8        | 5.8              | 4.5                | 78        |
| C&EA                        | 64.2            | 61.7            | 58.7         | (8.4)      | 50.3             | 41.0               | 82        |
| Shared Based Payments       | 2.4             | 1.8             | 1.8          | -          | 1.8              | 1.7                | 92        |
| Defend BP                   | 0.4             | 0.0             | 1.5          | (1.5)      | -                | -                  | -         |
| BP Foundation               | 5.7             | 5.7             | 9.7          | 0.6        | 10.3             | 8.7                | 84        |
| <b>Sub-total cash costs</b> | <b>93.8</b>     | <b>82.0</b>     | <b>79.4</b>  | <b>1.2</b> | <b>80.6</b>      | <b>67.0</b>        | <b>83</b> |
| Humanitarian Assistance     | -               | -               | -            | -          | 6.7              | 6.2                | 92        |
| <b>Total cash costs</b>     | <b>93.8</b>     | <b>82.0</b>     | <b>79.4</b>  | <b>1.2</b> | <b>87.3</b>      | <b>73.2</b>        | <b>84</b> |

Gross cash cost Plan adjustments:

(1.5) Defend BP  
3.8 President – GoM Compliance  
1.2 President – Paralympics  
(0.3) BPA VP – 2016 accel spend  
4.6 D&I Team – from C&EA  
1.2 D&I Team – from HR D&I  
(2.8) C&EA - 2016 accel spend  
(4.6) C&EA - to D&I  
(1.6) C&EA - API to Foundation  
0.5 C&EA - PIC  
0.1 C&EA - BP MS150  
(1.0) BP Foundation reduction  
1.6 BP Foundation – from API  
**1.2 Net Adjustment**

# DWH

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

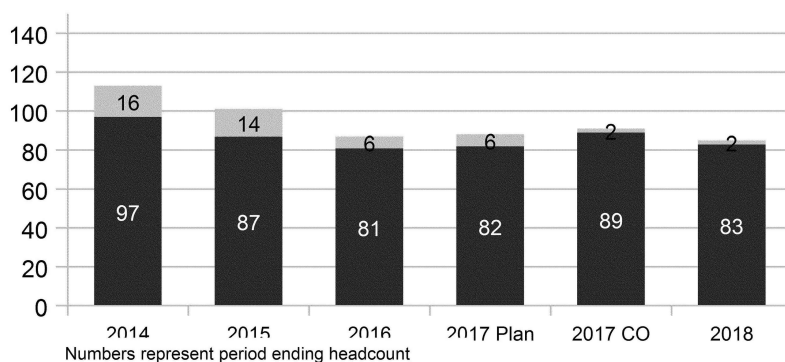


|                                    | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Plan | Q3 YTD<br>Actuals | % Spend   | 2018        |
|------------------------------------|-----------------|-----------------|--------------|-------------------|-----------|-------------|
| Staffing Costs (incl. contractors) | 14.4            | 6.3             | 5.5          | 3.7               | 68        | 3.7         |
| Travel & Entertainment             | 0.6             | 0.3             | 0.3          | 0.1               | 51        | 0.3         |
| Claims support                     | 24.6            | 21.2            | 16.6         | 12.3              | 74        | 12.3        |
| IT&S                               | 44.3            | 19.3            | 22.5         | 11.8              | 52        | 11.1        |
| Legal                              | -               | -               | -            | -                 | -         | 42.5        |
| OB&C charge ins / Other            | 16.3            | 13.6            | 8.6          | 3.3               | 38        | 5.6         |
| <b>Gross Cash Costs</b>            | <b>100.2</b>    | <b>60.7</b>     | <b>53.5</b>  | <b>31.2</b>       | <b>59</b> | <b>75.5</b> |
| Recoveries ( Cat Island, Other)    | 0.0             | (17.2)          | 0.0          | (1.4)             | 0         | 0.0         |
| <b>Net Cash Costs</b>              | <b>100.2</b>    | <b>43.5</b>     | <b>53.5</b>  | <b>29.8</b>       | <b>56</b> | <b>75.5</b> |

- 2017 cost to be lower than plan – accelerated reductions and lower allocations
- 2018 cost are projected to be higher:
  - With CSSP being substantially complete at year end 2017, related DWH legal costs for 2018 and forward will be taken as period cost as incurred, similar to other BP litigation
  - Staffing cost, claims support, IT&S, and charge-ins are all expected to decline vs. 2017 Plan and actual during 2018

# BP America

## Headcount Data



|                     |            |            |           |           |           |           |
|---------------------|------------|------------|-----------|-----------|-----------|-----------|
| President           | 4          | 4          | 4         | 4         | 4         | 4         |
| US CoSec            | -          | 4          | 5         | 5         | 6         | -         |
| VP BPA              | 13         | 12         | 7         | 5         | 6         | 6         |
| D&I Team            | -          | -          | -         | -         | 14        | 14        |
| C&EA                | 80         | 67         | 65        | 68        | 59        | 59        |
| <b>BP Headcount</b> | <b>97</b>  | <b>87</b>  | <b>81</b> | <b>82</b> | <b>89</b> | <b>83</b> |
| Contractors *       | 16         | 14         | 6         | 6         | 2         | 2         |
| <b>BP America</b>   | <b>113</b> | <b>101</b> | <b>87</b> | <b>88</b> | <b>91</b> | <b>85</b> |

- 2017 Plan vs 2017 Controlled Org (CO)  
(BP staff only)  
+4 HR D&I transfer  
+1 VP BPA extended exit program  
+1 CoSec contractor to BP  
+1 D&I contractor to BP
- Current vacancies (counted in CO headcount numbers)  
2 CoSec  
5 Gov't Affairs  
1 Int'l Affairs  
1 D&I
- 2018 Plan  
- 6 CoSec transfer to Legal  
0 VP BPA efficiencies/GoM transfer

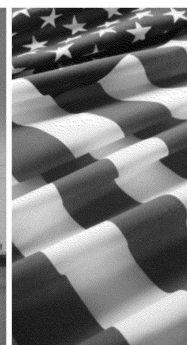
\* Contractor headcount best estimate until CO implemented





# BP America

## Key priorities review



BPA\_HCOR\_00337857



## DWH Liabilities

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

| Priorities                                                                                                                 | Cash flow management                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                             |  |          |             |        |       |    |       |
|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|-------------|--------|-------|----|-------|
| <div>1. Manage Deepwater Horizon settlements and litigations</div> <div>2. Right size GCRO and support organizations</div> | <div>2017 cash outflows \$m</div> <div><table><tr><th>Category</th><th>Value (\$m)</th></tr><tr><td>Plan *</td><td>5,252</td></tr><tr><td>LE</td><td>5,504</td></tr></table></div> |                                                                                                                                                                                                                                                                                                                                             |  | Category | Value (\$m) | Plan * | 5,252 | LE | 5,504 |
| Category                                                                                                                   | Value (\$m)                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                             |  |          |             |        |       |    |       |
| Plan *                                                                                                                     | 5,252                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                             |  |          |             |        |       |    |       |
| LE                                                                                                                         | 5,504                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                             |  |          |             |        |       |    |       |
| Deliverables                                                                                                               |                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                             |  |          |             |        |       |    |       |
| <div>• Plan on DHECC wind down and agreed structure with PSC and court to support residual activity</div>                  | <div>1Q-4Q</div>                                                                                                                                                                   | <div>• Ongoing engagement with CSSP and PSC regarding the facilities wind down plan</div> <div>• CSSP on target to be substantially complete with processing claims by YE 2017.<br/><i>As of Nov. 20, 2017 claims to be processed: 1,100 BEL and 600 Non-BEL</i></div> <div>• Identification and plan on residual activity is ongoing</div> |  |          |             |        |       |    |       |
| <div>• Fit for purpose process for addressing Backend Litigation (BELO) on Medical Settlement</div>                        | <div>3Q-4Q</div>                                                                                                                                                                   | <div>• Actively working with claims administrator (Garrettson) to simplify processes and automate activity</div> <div>• BP team - legal experts, claims and finance analyst, evaluating modifications to BP's BELO claims review process; implementation expected by mid-December</div>                                                     |  |          |             |        |       |    |       |
| <div>• Address remaining 'tail' litigation</div>                                                                           | <div>3Q-4Q</div>                                                                                                                                                                   | <div>• Continuous activity in working the various bundles / categories in MDL 2179 as well as DWH litigation outside MDL 2179</div>                                                                                                                                                                                                         |  |          |             |        |       |    |       |
| <div>• Cash flow management</div>                                                                                          | <div>1Q-4Q</div>                                                                                                                                                                   | <div>• Frequent CSSP mtgs. - beneficial to management funding projections</div> <div>• Actively working with legal and IT&amp;S to reduce cost</div>                                                                                                                                                                                        |  |          |             |        |       |    |       |

**Redacted - First Amendment**

# **Redacted - First Amendment**

# **Redacted - First Amendment**

0  
W



# Access – GoM Challenged Resources

Creating flexibility on progressing challenged resources in GoM. Increase value for BP from the US Gulf of Mexico through education and advocacy.

| Priorities                                                                                                                                                                                                                                                                                                                                                                                                                               |  | Education and advocacy                                                                                             |                                                                                                                                                                                                                                                                                                                                |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------|-----|------|----------|-------------------------|---------|-------|-----|-------------|-------------|------|------|--------------|--------------|---------------------------|
| <div>1. Analyze opportunities, create supporting data and education pack for US Gulf of Mexico</div> <div>2. Top 4 priority areas (royalty, lease terms, suspensions and restricted bidders) identified, key messages/talking points and “if asked” on other issues agreed</div> <div>3. Develop and implement advocacy plan with key stakeholders, including US administration and regulators, state, and industry support groups</div> |  | Stakeholders                                                                                                       |                                                                                                                                                                                                                                                                                                                                |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | Industry                                                                                                           |                                                                                                                                                                                                                                                                                                                                | US Government and Regulators |      |     |      |          | Trades and Associations |         |       |     |             | State Govts |      |      |              |              |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | OTC                                                                                                                | Industry                                                                                                                                                                                                                                                                                                                       | DOI                          | BOEM | RPC | BSEE | Congress | NOIA                    | API     | LMOGA | NAM | Consumer EA | US Chamber  | IADC | IAGC | LA Coalition | GC Governors | Local Chamber of Commerce |
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | ✓                                                                                                                  | ✓                                                                                                                                                                                                                                                                                                                              | ✓                            | ✓    | ✓   | ✓    | ✓        | ✓                       | ✓       | ✓     | ✓   | ✓           | ✓           | ✓    | ✓    | ✓            | ✓            | ✓                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | Q2                                                                                                                 | Q3                                                                                                                                                                                                                                                                                                                             | 2Q - present                 |      |     |      |          |                         | Q3 - Q4 |       |     |             |             |      |      |              |              |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | Program to continue into 2018: 1Q focus on BP RP MoC, Industry alignment, API study and continued DOI interactions |                                                                                                                                                                                                                                                                                                                                |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                                                                                                                    |                                                                                                                                                                                                                                                                                                                                |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
| Deliverables                                                                                                                                                                                                                                                                                                                                                                                                                             |  |                                                                                                                    |                                                                                                                                                                                                                                                                                                                                |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
| • Key messages and education pack detailing history, opportunity and case for change for US GoM                                                                                                                                                                                                                                                                                                                                          |  | 2Q                                                                                                                 | • Priorities identified, GoM story and advocacy materials developed<br>• Engagements initiated, beginning with OTC (2Q)                                                                                                                                                                                                        |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
| • Develop advocacy plan with key stakeholders                                                                                                                                                                                                                                                                                                                                                                                            |  | 3Q                                                                                                                 | • Advocacy plan developed<br>• State and Federal level advocacy initiated                                                                                                                                                                                                                                                      |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |
| • Implement advocacy plan                                                                                                                                                                                                                                                                                                                                                                                                                |  | 1Q-4Q                                                                                                              | <i>Education and Advocacy, including:</i><br>• Engagement with trades (including NOIA, API, IAGC, LMOGA) initiated<br>• API Upstream staff engagement and DC Fly-in (Jul)<br>• Discussion and alignment with BP GoM co-owners (Aug) and Offshore Operators<br>• BP Executive Leadership sessions (Sep-October) with Regulators |                              |      |     |      |          |                         |         |       |     |             |             |      |      |              |              |                           |



# 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.

| Priorities                                                                                                                                                                                                                                                                                                                         |       | Strategy                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Defeat or significantly mitigate efforts by the Whatcom County Council to restrict Cherry Point's (CP) ability to operate and expand</li> <li>2. Bolster Cherry Point's standing with voters and policy makers to improve the landscape in which we operate for the long-term</li> </ol> |       | <ul style="list-style-type: none"> <li>➤ Grassroots campaign with Whatcom County Council</li> <li>➤ Educate allies on potential impacts of Council proposal</li> <li>➤ Provide personnel/funding to Whatcom Business Alliance</li> <li>➤ Use paid and social media to educate county voters</li> <li>➤ Mobilize BP staff, community partners, associations</li> <li>➤ Conduct sustained campaign to bolster Cherry Point's status with voters and policy makers</li> </ul> |
| Deliverables                                                                                                                                                                                                                                                                                                                       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <ul style="list-style-type: none"> <li>• Educate CP staff / Allies to attend public hearings</li> <li>• Meet with Planning Commission and County Council</li> <li>• Execute paid media plan</li> </ul>                                                                                                                             | 1Q    | <ul style="list-style-type: none"> <li>• Integrated BP internal/external campaign including; employee engagement, social, earned and paid media; community outreach and advocacy</li> <li>• BP-driven third party advocacy campaign through Whatcom Business Alliance</li> </ul>                                                                                                                                                                                           |
| <ul style="list-style-type: none"> <li>• Deliver BP Strategy – staff education/mobilization/media</li> <li>• Drive WBA coalition strategy</li> <li>• Position CP externally to support LT strategy</li> </ul>                                                                                                                      | 2Q    | <ul style="list-style-type: none"> <li>• Comp. Plan passed 6-1 with improvements</li> <li>• Still problematic is Council's decision to do a fast-track legal study – County Executive attempting to influence cost and timing</li> </ul>                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>• Continue educating staff/allies</li> <li>• Continue executing LT campaign</li> </ul>                                                                                                                                                                                                      | 3Q-4Q | <ul style="list-style-type: none"> <li>• Portland anti-fossil fuel infrastructure zoning restriction overturned <i>City to appeal</i></li> <li>• BP-led opposition to change County election rules and to limit eminent domain</li> <li>• Ongoing campaign and external outreach activities / PAC solicitations / CAP mtgs.</li> <li>• Pro-business candidates win one of two targeted county races</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.

Priorities

1. Assess impacts including:

- Hydrocarbon development

- Competition from other sources of energy

- Electrification

- Transport de-carbonization, penetration of Electric Vehicles (EVs), automation, ride-sharing

- Digital/technology revolutions affecting industries

- Carbon pricing and emissions trading

- Social stewardship driven policy, consumer preferences, and energy efficiency

Advancing the energy transition



Advancing the energy transition

Deliverables

|                                                                                                                |    |                                                                                   |
|----------------------------------------------------------------------------------------------------------------|----|-----------------------------------------------------------------------------------|
| <div><div>• Detailed scope of study, principles, and delivery plan</div></div>                                 | 1Q | <div><div>• Complete</div></div>                                                  |
| <div><div>• Internal alignment with Group strategy, LT planning, policy, Group Econ and Group Tech</div></div> | 2Q | <div><div>• Complete</div></div>                                                  |
| <div><div>• Finalize the analysis and share with the team</div></div>                                          | 3Q | <div><div>• Analysis complete – to be networked with the team in 1Q18</div></div> |



# Minority Ambition

Progress the US minority ambition, strengthen D&I performance in the workplace

| Priorities                                                                                                                                                                                                                      |                                           | MWBE participation                                                                                                                                                                                                                                                                                                                                                                                             |                   |       |       |                                    |          |          |         |      |      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------|-------|------------------------------------|----------|----------|---------|------|------|
| 1. Improve our US minority representation by 2025, increasing from nearly 26% to 30% at levels G-J and from 17% to 20% at GL and SLL.                                                                                           |                                           | Supplier Diversity                                                                                                                                                                                                                                                                                                                                                                                             | M/WBE Spend (\$m) |       |       | 3 <sup>rd</sup> Party Spend (\$bn) |          |          | % M/WBE |      |      |
|                                                                                                                                                                                                                                 |                                           | Segment YTD                                                                                                                                                                                                                                                                                                                                                                                                    | 3Q17              | 3Q16  | 3Q15  | 3Q17                               | 3Q16     | 3Q15     | 3Q17    | 3Q16 | 3Q15 |
|                                                                                                                                                                                                                                 |                                           | Upstream                                                                                                                                                                                                                                                                                                                                                                                                       | \$203             | \$189 | \$239 | \$4,373                            | \$5,234  | \$7,285  | 4.6%    | 3.6% | 3.3% |
|                                                                                                                                                                                                                                 |                                           | Downstream                                                                                                                                                                                                                                                                                                                                                                                                     | \$119             | \$130 | \$88  | \$3,201                            | \$3,385  | \$3,692  | 3.7%    | 3.8% | 2.4% |
|                                                                                                                                                                                                                                 |                                           | OB&C                                                                                                                                                                                                                                                                                                                                                                                                           | \$40              | \$34  | \$53  | \$3,364                            | \$3,200  | \$3,071  | 1.2%    | 1.0% | 1.7% |
|                                                                                                                                                                                                                                 |                                           | Total spend                                                                                                                                                                                                                                                                                                                                                                                                    | \$362             | \$353 | \$380 | \$10,938                           | \$11,839 | \$14,048 | 3.3%    | 3.0% | 2.7% |
|                                                                                                                                                                                                                                 |                                           | Indirect Procurement                                                                                                                                                                                                                                                                                                                                                                                           | \$47              | \$37  | \$60  | \$1,759                            | \$1,829  | \$2,297  | 2.7%    | 2.0% | 2.6% |
| Deliverables                                                                                                                                                                                                                    |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                |                   |       |       |                                    |          |          |         |      |      |
| <ul style="list-style-type: none"><li>Delivery of HR Work streams with plans for any modifications<ol style="list-style-type: none"><li>Resourcing</li><li>Performance Management</li><li>Talent Management</li></ol></li></ul> | <div>2Q</div> <div>3Q</div> <div>4Q</div> | <ul style="list-style-type: none"><li>Implemented D&amp;I lens for performance rating calibrations, included required systems modifications and process led by segment HR VPs</li><li>Applied IST pilot learnings to implement Rules of Road for gender/ethnicity</li><li>Incorporating systems modifications to incorporate D&amp;I lens in 9-box grid and succession planning processes in 1Q 2018</li></ul> |                   |       |       |                                    |          |          |         |      |      |
| <ul style="list-style-type: none"><li>Delivery of Consciously Inclusive training program to all US Line Managers and Interviewers</li></ul>                                                                                     | <div>4Q</div>                             | <ul style="list-style-type: none"><li>Course developed, piloted, and now in delivery</li><li>Multiple teams completed training in 4Q 2018</li><li>Enrollments to continue into 2018</li></ul>                                                                                                                                                                                                                  |                   |       |       |                                    |          |          |         |      |      |
| <ul style="list-style-type: none"><li>Increased participation by MWBEs</li></ul>                                                                                                                                                | <div>4Q</div>                             | <ul style="list-style-type: none"><li>Continued growth in percentage spend - projected at 3.5% by year end</li></ul>                                                                                                                                                                                                                                                                                           |                   |       |       |                                    |          |          |         |      |      |
| <ul style="list-style-type: none"><li>External recognition for our efforts and outcomes</li></ul>                                                                                                                               | <div>4Q</div>                             | <ul style="list-style-type: none"><li>Named 2017 “Platinum Top Corporation” by Women’s Business Enterprise National Council (WBENC)</li><li>Named a 2017 “Latino 100 Company”</li><li>Recognized as 2017 “Corporate Stand Up for STEM” by Million Women Mentors</li></ul>                                                                                                                                      |                   |       |       |                                    |          |          |         |      |      |

**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.

</

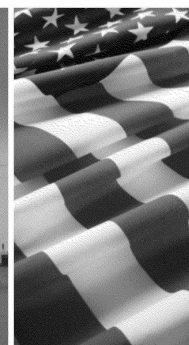
1

# **Redacted - First Amendment**



# BP America

## 2018 GFOz and Priority setting



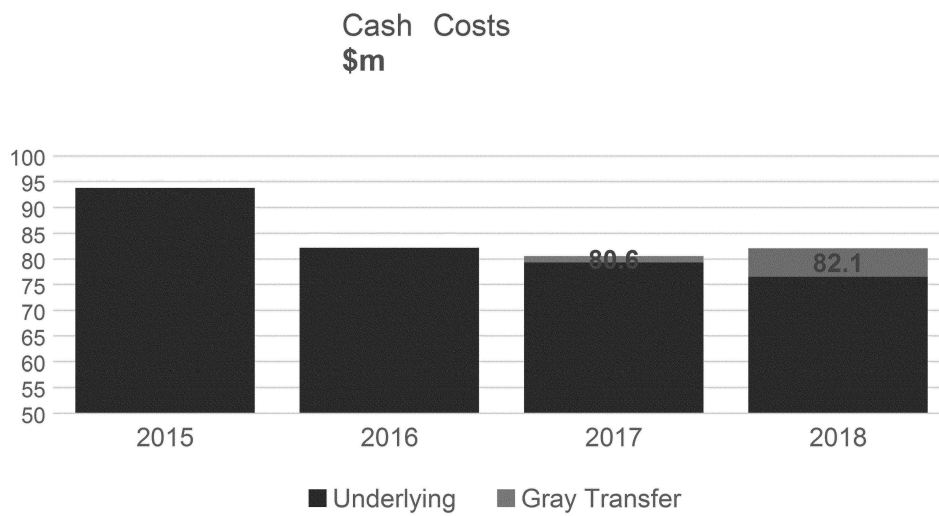
BPA\_HCOR\_00337870

# Redacted - First Amendment

al

# BP America

## Cash cost trends



- Year on year efficiencies of 18% on underlying cash costs since 2015
- Need (4.0)m 2018 reduction to meet PESC 5% objective (achieved)
- Gray budget transfers to BPA
  - 2017 1.2m HR D&I
  - 2018 5.5m GoM EPA Compliance



# BP America

## 2018 team views



|                             | 2017<br>LE  | 2017<br>Normalized | Change        | 2018<br>Underlying | GoM EPA<br>Transfer | 2018<br>GFOz | Change comments                                          |
|-----------------------------|-------------|--------------------|---------------|--------------------|---------------------|--------------|----------------------------------------------------------|
| President                   | 8.2         | 3.2                | (0.1)         | 3.1                | -                   | 3.1          | Efficiencies offset salary inflation                     |
| President – Defend BP       | -           | 1.5                | (0.5)         | 1.0                | -                   | 1.0          | Reinstate Defend BP                                      |
| US Company Secretary        | 1.7         | 1.7                | (0.1)         | 1.6                | -                   | 1.6          | T&E/Other efficiency more than offsets salary inflation  |
| BPA VP                      | 2.5         | 2.8                | (0.2)         | 2.6                | 5.5                 | 8.1          | Leverage GoM transfer for lower staffing costs           |
| D&I Team                    | 5.8         | 5.8                | -             | 5.8                | -                   | 5.8          | Reduce memberships/contributions offset salary inflation |
| D&I Team – Foundation       | 10.3        | 9.7                | (2.5)         | 7.2                | -                   | 7.2          | Lower funding requirement and 2017 funding from API      |
| C&EA                        | 43.4        | 45.7               | (0.9)         | 44.8               | -                   | 44.8         | Per C&EA details                                         |
| C&EA – API                  | 6.9         | 8.5                | 0.8           | 9.3                | -                   | 9.3          | API dues increase – offset with lower BPF                |
| Share based payments        | 1.8         | 1.8                | -             | 1.8                | -                   | 1.8          | No change                                                |
| Overview                    | -           | -                  | (0.5)         | (0.5)              | -                   | (0.5)        | Options to be worked                                     |
| <b>Sub-total cash costs</b> | <b>80.6</b> | <b>80.6</b>        | <b>(4.0)</b>  | <b>76.6</b>        | <b>5.5</b>          | <b>82.1</b>  | <b>(4.0) reduction to 76.6 achieves 5% objective</b>     |
| Humanitarian Assistance     | 6.7         | 6.7                | (6.7)         | -                  | -                   | -            |                                                          |
| <b>Total cash costs</b>     | <b>87.3</b> | <b>87.3</b>        | <b>(10.7)</b> | <b>76.6</b>        | <b>5.5</b>          | <b>82.1</b>  |                                                          |

2017 Normalized rebases 2017 to factor out distortions from funding timing and 2017 special projects/funding

# BP America

## 2018 by activity



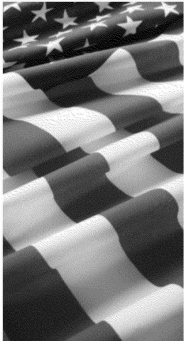
|                                    | 2017<br>LE  | 2017<br>Normalized | Change        | 2018<br>Underlying | GoM EPA<br>Transfer | 2018<br>GFOz | Change comments                                      |
|------------------------------------|-------------|--------------------|---------------|--------------------|---------------------|--------------|------------------------------------------------------|
| Staffing Costs                     | 24.1        | 24.1               | 1.1           | 25.2               | 0.7                 | 25.9         | 4.5% inflation, partially offset with HC mgt.        |
| Shared Based Payments              | 1.8         | 1.8                | -             | 1.8                | -                   | 1.8          | No change                                            |
| Travel & Entertainment             | 2.4         | 2.2                | (0.1)         | 2.1                | -                   | 2.1          | Efficiency                                           |
| Lobbying, Events, Other Consulting | 7.8         | 8.0                | (1.5)         | 6.5                | 4.8                 | 11.3         | Primarily C&EA                                       |
| GoM Compliance Project             | 3.8         | -                  | -             | -                  | -                   | -            | No 2018 activity                                     |
| Contributions                      | 10.9        | 12.3               | (0.2)         | 12.1               | -                   | 12.1         | Primarily C&EA – WSPA partially offset w/AK/etc      |
| Contributions – BP Foundation      | 10.3        | 9.7                | (2.5)         | 7.2                | -                   | 7.2          | Lower funding and 2017 funding from API              |
| USOC Sponsorship / Activation      | 1.2         | -                  | -             | -                  | -                   | -            | No 2018 activity – took full charge in 2017          |
| Membership – API                   | 6.9         | 8.5                | 0.8           | 9.3                | -                   | 9.3          | API dues increase – offset with lower BPF            |
| Memberships- Other                 | 7.1         | 8.0                | (0.3)         | 7.7                | -                   | 7.7          | Primarily C&EA - US Chamber                          |
| Rent and Other                     | 4.4         | 4.5                | (0.3)         | 4.2                | -                   | 4.2          | Efficiency                                           |
| Defend BP                          | -           | 1.5                | (0.5)         | 1.0                | -                   | 1.0          | Reinstate Defend BP                                  |
| Overview                           | -           | -                  | (0.5)         | (0.5)              | -                   | (0.5)        | Options to be worked                                 |
| <b>Sub-total cash costs</b>        | <b>80.6</b> | <b>80.6</b>        | <b>(4.0)</b>  | <b>76.6</b>        | <b>5.5</b>          | <b>82.1</b>  | <b>(4.0) reduction to 76.6 achieves 5% objective</b> |
| Humanitarian Assistance            | 6.7         | 6.7                | (6.7)         | -                  | -                   | -            |                                                      |
| <b>Total cash costs</b>            | <b>87.3</b> | <b>87.3</b>        | <b>(10.7)</b> | <b>76.6</b>        | <b>-</b>            | <b>82.1</b>  |                                                      |

2017 Normalized rebases 2017 to factor out distortions from funding timing and 2017 special projects/funding



# BP America

## APPENDIX – Financial and headcount information



# BP America

## 2017 Headcount movements



| Team                         | 2017 Plan | 2017 Adjusted | HR D&I   | 2017 CO   | % Staff     |
|------------------------------|-----------|---------------|----------|-----------|-------------|
| President                    | 4         | -             | -        | 4         | 4%          |
| US CoSec                     | 5         | 1             | -        | 6         | 7%          |
| VP BPA                       | 5         | 1             | -        | 6         | 7%          |
| D&I                          | 0         | 10            | 4        | 14        | 16%         |
| C&EA - Ext Affairs           | 11        | (11)          | -        | 0         | 0%          |
| C&EA - Strategy & Planning   | 16        | (5)           | -        | 11        | 12%         |
| C&EA - Govt Affairs          | 24        | 6             | -        | 30        | 34%         |
| C&EA - Govt Affairs - Alaska | 5         | -             | -        | 5         | 6%          |
| C&EA – Regulatory Affairs    | 12        | (2)           | -        | 10        | 11%         |
| C&EA – International Affairs | -         | 3             | -        | 3         | 3%          |
| <b>Total BP Staff</b>        | <b>82</b> | <b>3</b>      | <b>4</b> | <b>89</b> | <b>100%</b> |

- **2017 Adjusted +3**
  - + 1 VP BPA – extended exit program
  - + 1 CoSec – offset with contractor reduction
  - + 1 D&I – offset with contractor reduction

# BP America

## Team budgets (excluding Harvey costs)



Totals may not add up due to rounding

| 2017 Plan<br>Adjusted \$m | President<br>incl SBP | US<br>CoSec | VP BPA     | D&I         | Strategy &<br>Plan | Federal<br>Affairs | Reg<br>Affairs | State &<br>Local | Alaska*    | 2017<br>LE  |          |
|---------------------------|-----------------------|-------------|------------|-------------|--------------------|--------------------|----------------|------------------|------------|-------------|----------|
| Staffing Costs            | 2.4                   | 1.0         | 1.7        | 2.8         | 3.3                | 2.0                | 4.4            | 5.2              | 1.3        | <b>24.1</b> |          |
| Share based payments      | 1.8                   | 0.0         | 0.0        | 0.0         | 0.0                | 0.0                | 0.0            | 0.0              | 0.0        | <b>1.8</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    | 4.0                   | 0.4         | 0.7        | 0.5         | 1.7                | 1.3                | 0.4            | 1.4              | 1.0        | <b>11.5</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        | 10.3        | 0.0                | 0.0                | 0.0            | 0.0              | 0.0        | <b>10.3</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                | 6.9            | 0.0              | 0.0        | <b>6.9</b>  | Slide 34 |
| Defend BP                 | 0.0                   | 0.0         | 0.0        | 0.0         | 0.0                | 0.0                | 0.0            | 0.0              | 0.0        | <b>0.0</b>  |          |
| Rent and Other            | 0.0                   | 0.1         | 0.1        | 0.1         | 3.8                | 0.1                | 0.0            | 0.2              | 0.0        | <b>4.5</b>  | Slide 35 |
| <b>Total</b>              | <b>10.0</b>           | <b>1.7</b>  | <b>2.5</b> | <b>16.1</b> | <b>10.1</b>        | <b>4.0</b>         | <b>15.8</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 7) so totals by category will not tie exactly to this table.

# BP America

## Financials and budgets



| Lobbying, Events ,<br>Consult \$m | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Adj Plan | 2018<br>Plan | Comments                                                    |
|-----------------------------------|-----------------|-----------------|------------------|--------------|-------------------------------------------------------------|
| GoM DoJ Compliance                | 0.0             | 0.0             | 3.8              | 0.0          | 2017 allocation of Defend BP funds                          |
| President – Other                 | 0.2             | 0.1             | 0.2              | 0.1          | 2018 efficiency                                             |
| CoSec                             | 0.8             | 0.4             | 0.4              | 0.2          | 2018 reclass FTE from contractor to BP staff                |
| OTC                               | 1.2             | 0.7             | 0.5              | 0.9          | 2018 full year – previous years contained accelerated spend |
| VP BPA – Other                    | 4.8             | 1.6             | 0.2              | 0.1          | 2018 efficiency                                             |
| GoM EPA Compliance                | 0.0             | 0.0             | 0.0              | 4.8          | 2018 EPA Administrative Agreement                           |
| D&I – BRG                         | 0.0             | 0.0             | 0.2              | 0.2          |                                                             |
| D&I – Other                       | 0.5             | 0.4             | 0.4              | 0.4          |                                                             |
| MS150                             | 0.4             | 0.3             | 0.4              | 0.3          | 2018 efficiency                                             |
| NRG/Texans/HLSR                   | 0.1             | 0.4             | 0.4              | 0.3          | 2018 efficiency                                             |
| C&EA – Other                      | 5.3             | 4.4             | 5.0              | 4.1          | 2018 efficiency                                             |
| <b>Total</b>                      | <b>13.3</b>     | <b>8.1</b>      | <b>11.5</b>      | <b>11.3</b>  |                                                             |

Totals may not add up due to rounding

# BP America

## Financials and budgets



| Contributions \$m         | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Adj Plan | 2018<br>Plan | Comments                           |
|---------------------------|-----------------|-----------------|------------------|--------------|------------------------------------|
| USOC *                    | 6.4             | 5.1             | 1.2              | 0.0          | 2017 allocation of Defend BP funds |
| President - Other         | 0.1             | 0.3             | 0.3              | 0.1          | 2018 efficiency                    |
| BP Foundation             | 5.7             | 5.7             | 10.3             | 7.2          |                                    |
| D&I – Other               | 1.2             | 1.0             | 1.2              | 1.3          |                                    |
| PAC matching              | 0.3             | 0.4             | 0.4              | 0.4          |                                    |
| National MS (BP MS150)    | 0.2             | 0.6             | 0.0              | 0.3          | 2016 includes 2017 accel payment   |
| HLSR                      | 0.0             | 0.6             | 0.0              | 0.3          | 2016 includes 2017 accel payment   |
| CERA                      | 0.0             | 0.6             | 0.0              | 0.3          | 2016 includes 2017 accel payment   |
| Chicago Arch. Biennial    | 0.0             | 0.5             | 0.5              | 0.0          | 2016 includes 2017 accel payment   |
| Student Cons Assoc.       | 0.0             | 0.5             | 0.0              | 0.0          | 2016 includes 2017 accel payment   |
| Presidential Inauguration | 0.0             | 0.0             | 0.5              | 0.0          | 2017 allocation of Defend BP funds |
| C&EA – Other              | 7.9             | 6.4             | 8.0              | 9.4          |                                    |
| <b>Total</b>              | <b>21.8</b>     | <b>21.7</b>     | <b>22.4</b>      | <b>19.3</b>  |                                    |

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

Totals may not add up due to rounding

# BP America

## Financials and budgets



| Memberships \$m          | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Adj Plan | 2018<br>Plan | Comments                                                 |
|--------------------------|-----------------|-----------------|------------------|--------------|----------------------------------------------------------|
| D&I Team                 | 0.6             | 0.6             | 0.9              | 0.5          | 2017 includes 0.3 HR D&I transfer, 2018 efficiency       |
| API                      | 9.8             | 8.5             | 6.9              | 9.3          | 2017 surplus credit, 2018 lower dues offsets             |
| US Chamber               | 2.0             | 2.0             | 2.0              | 1.0          | 2018 efficiency                                          |
| WSPA                     | 1.1             | 1.6             | 1.3              | 2.5          | 2016 includes 2017 accel payment, 2018 approved increase |
| NAM                      | 0.7             | 0.9             | 0.5              | 0.5          |                                                          |
| Nat'l Petrol Council     | 0.3             | 0.2             | 0.2              | 0.2          |                                                          |
| Grow Louisiana Coalition | 0.3             | 0.6             | 0.1              | 0.4          | 2016 includes 2017 accel payment                         |
| LA Mid-Con O&G Assoc.    | 0.3             | 0.6             | 0.0              | 0.2          | 2016 includes 2017 accel payment                         |
| Greater Houston Ptnshp   | 0.1             | 0.2             | 0.0              | 0.1          | 2016 includes 2017 accel payment                         |
| Texas Lit Reform         | 0.0             | 0.6             | 0.0              | 0.0          | 2016 charge includes funding over next several years     |
| C&EA Other               | 2.6             | 3.0             | 2.2              | 2.3          |                                                          |
| <b>Total</b>             | <b>17.7</b>     | <b>18.8</b>     | <b>14.1</b>      | <b>17.0</b>  |                                                          |

Totals may not add up due to rounding



# BP America

## Financials and budgets



| Rent and other \$m     | 2015<br>Actuals | 2016<br>Actuals | 2017<br>Adj Plan | 2018<br>Plan | Comments |
|------------------------|-----------------|-----------------|------------------|--------------|----------|
| DC Office - Rent, etc. | 3.0             | 3.3             | 3.3              | 3.3          |          |
| Legal charge ins       | 0.9             | 0.5             | 0.5              | 0.3          |          |
| 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>4.2</b>   |          |

Totals may not add up due to rounding



BP America Cash Costs - \$81m

2017 Adj. Plan

| Category        | Amount (\$m) |
|-----------------|--------------|
| 3rd Party Spend | 46           |
| Payroll/SBP     | 26           |
| Foundation      | 9            |

Resource Allocation - \$81m

| Category        | Amount (\$m) |
|-----------------|--------------|
| [CATEGORY NAME] | 18           |
| [CATEGORY NAME] | 5            |
| [CATEGORY NAME] | 5            |
| [CATEGORY NAME] | 5            |
| [CATEGORY NAME] | 5            |
| [CATEGORY NAME] | 5            |

- 36