

Table of Contents

in respect of any particular dividend, cash will be paid automatically instead.

Future dividends will be dependent on future earnings, the financial condition of the group, the Risk factors set out on page 53 and other matters that may affect the business of the group set out in Our strategy on page 13 and in Liquidity and capital resources on page 219.

The following table shows dividends announced and paid by the company per ADS for the past five years.

Dividends per ADS ^a		March	June	September	December	Total
2011	UK pence	26.02	25.68	25.90	26.82	104.42
	US cents	42	42	42	42	168
2012	UK pence	30.57	30.90	30.10	33.53	125.10
	US cents	48	48	48	54	198
2013	UK pence	36.01	35.01	34.58	34.80	140.40
	US cents	54	54	54	57	219
2014	UK pence	34.24	34.84	35.76	38.26	143.10
	US cents	57	58.5	58.5	60	234
2015	UK pence	40.00	39.18	39.29	39.81	158.28
	US cents	60	60	60	60	240

^a Dividends announced and paid by the company on ordinary and preference shares are provided in Financial statements – Note 9.

UK foreign exchange controls on dividends

There are currently no UK foreign exchange controls or restrictions on remittances of dividends on the ordinary shares or on the conduct of the company's operations, other than restrictions applicable to certain countries and persons subject to EU economic sanctions or those sanctions adopted by the UK government which implement resolutions of the Security Council of the United Nations.

Shareholder taxation information

This section describes the material US federal income tax and UK taxation consequences of owning ordinary shares or ADSs to a US holder who holds the ordinary shares or ADSs as capital assets for tax purposes. It does not apply, however, inter alia to members of special classes of holders some of which may be subject to other rules, including: tax-exempt entities, life insurance companies, dealers in securities, traders in securities that elect a mark-to-market method of accounting for securities holdings, investors liable for alternative minimum tax, holders that, directly or indirectly, hold 10% or more of the company's voting stock, holders that hold the shares or ADSs as part of a straddle or a hedging or conversion transaction, holders that purchase or sell the shares or ADSs as part of a wash sale for US federal income tax purposes, or holders whose functional currency is not the US dollar. In addition, if a partnership holds the shares or ADSs, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership and may not be described fully below.

A US holder is any beneficial owner of ordinary shares or ADSs that is for US federal income tax purposes (i) a citizen or resident of the US, (ii) a US domestic corporation, (iii) an estate whose income is subject to US federal income taxation regardless of its source, or (iv) a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorized to control all substantial decisions of the trust.

This section is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed US Treasury regulations thereunder, published rulings and court decisions, and the taxation laws of the UK, all as currently in effect, as well as the income tax convention between the US and the UK that entered into force on 31 March 2003 (the 'Treaty'). These laws are subject to change, possibly on a retroactive basis. This section further assumes that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

For purposes of the Treaty and the estate and gift tax Convention (the 'Estate Tax Convention') and for US federal income tax and UK taxation purposes, a holder of ADRs evidencing ADSs will be treated as the

owner of the company's ordinary shares represented by those ADRs. Exchanges of ordinary shares for ADRs and ADRs for ordinary shares generally will not be subject to US federal income tax or to UK taxation other than stamp duty or stamp duty reserve tax, as described below.

Investors should consult their own tax adviser regarding the US federal, state and local, UK and other tax consequences of owning and disposing of ordinary shares and ADSs in their particular circumstances, and in particular whether they are eligible for the benefits of the Treaty in respect of their investment in the shares or ADSs.

Taxation of dividends

UK taxation

Under current UK taxation law, no withholding tax will be deducted from dividends paid by the company, including dividends paid to US holders. A shareholder that is a company resident for tax purposes in the UK or trading in the UK through a permanent establishment generally will not be taxable in the UK on a dividend it receives from the company. A shareholder who is an individual resident for tax purposes in the UK is subject to UK tax but until 5 April 2016, is entitled to a tax credit on cash dividends paid on ordinary shares or ADSs of the company equal to one-ninth of the cash dividend.

US federal income taxation

A US holder is subject to US federal income taxation on the gross amount of any dividend paid by the company out of its current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends paid to a non-corporate US holder that constitute 'qualified dividend income' will be taxable to the holder at a preferential rate, provided that the holder has a holding period in the ordinary shares or ADSs of more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meets other holding period requirements. Dividends paid by the company with respect to the ordinary shares or ADSs will generally be qualified dividend income.

For US federal income tax purposes, a dividend must be included in income when the US holder, in the case of ordinary shares, or the Depository, in the case of ADSs, actually or constructively receives the dividend and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. US ADS holders should consult their own tax advisor regarding the US tax treatment of the dividend fee in respect of dividends. Dividends will be income from sources outside the US and generally will be 'passive category income' or, in the case of certain US holders, 'general category income', each of which is treated separately for purposes of computing a US holder's foreign tax credit limitation.

As noted above in UK taxation, a US holder will not be subject to UK withholding tax. Accordingly, the receipt of a dividend will not entitle the US holder to a foreign tax credit.

The amount of the dividend distribution on the ordinary shares that is paid in pounds sterling will be the US dollar value of the pounds sterling payments made, determined at the spot pounds sterling/US dollar rate on the date the dividend distribution is includible in income, regardless of whether the payment is, in fact, converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the pounds sterling dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss and will not be eligible for the preferential tax rate on qualified dividend income. The gain or loss generally will be income or loss from sources within the US for foreign tax credit limitation purposes.

Distributions in excess of the company's earnings and profits, as determined for US federal income tax purposes, will be treated as a return of capital to the extent of the US holder's basis in the ordinary shares or ADSs and thereafter as capital gain, subject to taxation as described in Taxation of capital gains – US federal income taxation section below.

In addition, the taxation of dividends may be subject to the rules for passive foreign investment companies (PFIC), described below under 'Taxation of capital gains – US federal income taxation'. Distributions made by a PFIC do not constitute qualified dividend income and are not eligible for the preferential tax rate applicable to such income.

[Table of Contents](#)

Taxation of capital gains

UK taxation

A US holder may be liable for both UK and US tax in respect of a gain on the disposal of ordinary shares or ADSs if the US holder is (i) resident for tax purposes in the United Kingdom at the date of disposal, (ii) if he has left the UK for a period not exceeding five complete tax years between the year of departure from and the year of return to the UK and acquired the shares before leaving the UK and was resident in the UK in the previous four out of seven tax years before the year of departure, (iii) a US domestic corporation resident in the UK by reason of its business being managed or controlled in the UK or (iv) a citizen of the US that carries on a trade or profession or vocation in the UK through a branch or agency or a corporation that carries on a trade, profession or vocation in the UK, through a permanent establishment, and that has used, held, or acquired the ordinary shares or ADSs for the purposes of such trade, profession or vocation of such branch, agency or permanent establishment. However, such persons may be entitled to a tax credit against their US federal income tax liability for the amount of UK capital gains tax or UK corporation tax on chargeable gains (as the case may be) that is paid in respect of such gain.

Under the Treaty, capital gains on dispositions of ordinary shares or ADSs generally will be subject to tax only in the jurisdiction of residence of the relevant holder as determined under both the laws of the UK and the US and as required by the terms of the Treaty.

Under the Treaty, individuals who are residents of either the UK or the US and who have been residents of the other jurisdiction (the US or the UK, as the case may be) at any time during the six years immediately preceding the relevant disposal of ordinary shares or ADSs may be subject to tax with respect to capital gains arising from a disposition of ordinary shares or ADSs of the company not only in the jurisdiction of which the holder is resident at the time of the disposition but also in the other jurisdiction.

US federal income taxation

A US holder who sells or otherwise disposes of ordinary shares or ADSs will recognize a capital gain or loss for US federal income tax purposes equal to the difference between the US dollar value of the amount realized on the disposition and the US holder's tax basis, determined in US dollars, in the ordinary shares or ADSs. Any such capital gain or loss generally will be long-term gain or loss, subject to tax at a preferential rate for a non-corporate US holder, if the US holder's holding period for such ordinary shares or ADSs exceeds one year.

Gain or loss from the sale or other disposition of ordinary shares or ADSs will generally be income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

We do not believe that ordinary shares or ADSs will be treated as stock of a passive foreign investment company, or PFIC, for US federal income tax purposes, but this conclusion is a factual determination that is made annually and thus is subject to change. If we are treated as a PFIC, unless a US holder elects to be taxed annually on a mark-to-market basis with respect to ordinary shares or ADSs, any gain realized on the sale or other disposition of ordinary shares or ADSs would in general not be treated as capital gain. Instead, a US holder would be treated as if he or she had realized such gain ratably over the holding period for ordinary shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, in addition to which an interest charge in respect of the tax attributable to each such year would apply. Certain 'excess distributions' would be similarly treated if we were treated as a PFIC.

Additional tax considerations

Scrip Programme

The company has an optional Scrip Programme, wherein holders of BP ordinary shares or ADSs may elect to receive any dividends in the form of new fully paid ordinary shares or ADSs of the company instead of cash. Please consult your tax adviser for the consequences to you.

UK inheritance tax

The Estate Tax Convention applies to inheritance tax. ADSs held by an individual who is domiciled for the purposes of the Estate Tax Convention in the US and is not for the purposes of the Estate Tax Convention a national of the UK will not be subject to UK inheritance tax on the individual's death or on transfer during the individual's lifetime unless, among other things, the ADSs are part of the business property of a permanent establishment situated in the UK used for the performance of independent personal services. In the exceptional case where ADSs are subject to both inheritance tax and US federal gift or estate tax, the Estate Tax Convention generally provides for tax payable in the US to be credited against tax payable in the UK or for tax paid in the UK to be credited against tax payable in the US, based on priority rules set forth in the Estate Tax Convention.

UK stamp duty and stamp duty reserve tax

The statements below relate to what is understood to be the current practice of HM Revenue & Customs in the UK under existing law.

Provided that any instrument of transfer is not executed in the UK and remains at all times outside the UK and the transfer does not relate to any matter or thing done or to be done in the UK, no UK stamp duty is payable on the acquisition or transfer of ADSs. Neither will an agreement to transfer ADSs in the form of ADRs give rise to a liability to stamp duty reserve tax.

Purchases of ordinary shares, as opposed to ADSs, through the CREST system of paperless share transfers will be subject to stamp duty reserve tax at 0.5%. The charge will arise as soon as there is an agreement for the transfer of the shares (or, in the case of a conditional agreement, when the condition is fulfilled). The stamp duty reserve tax will apply to agreements to transfer ordinary shares even if the agreement is made outside the UK between two non-residents. Purchases of ordinary shares outside the CREST system are subject either to stamp duty at a rate of £5 per £1,000 (or part, unless the stamp duty is less than £5, when no stamp duty is charged), or stamp duty reserve tax at 0.5%. Stamp duty and stamp duty reserve tax are generally the liability of the purchaser.

A subsequent transfer of ordinary shares to the Depository's nominee will give rise to further stamp duty at the rate of £1.50 per £100 (or part) or stamp duty reserve tax at the rate of 1.5% of the value of the ordinary shares at the time of the transfer. For ADR holders electing to receive ADSs instead of cash, after the 2012 first quarter dividend payment HM Revenue & Customs no longer seeks to impose 1.5% stamp duty reserve tax on issues of UK shares and securities to non-EU clearance services and depository receipt systems.

US Medicare Tax

A US holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the US holder's 'net investment income' (or 'undistributed net investment income' in the case of an estate or trust) for the relevant taxable year and (2) the excess of the US holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000, depending on the individual's circumstances). A holder's net investment income generally includes its dividend income and its net gains from the disposition of shares or ADSs, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a US holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the shares or ADSs.

Major shareholders

The disclosure of certain major and significant shareholdings in the share capital of the company is governed by the Companies Act 2006, the UK Financial Conduct Authority’s Disclosure and Transparency Rules (DTR) and the US Securities Exchange Act of 1934.

Register of members holding BP ordinary shares as at 31 December 2015

Range of holdings	Number of ordinary shareholders	Percentage of total ordinary shareholders	Percentage of total ordinary share capital excluding shares held in treasury
1-200	55,102	20.93	0.01
201-1,000	91,461	34.73	0.27
1,001-10,000	104,537	39.70	1.75
10,001-100,000	10,801	4.10	1.19
100,001-1,000,000	761	0.29	1.55
Over 1,000,000 ^a	650	0.25	95.23
Totals	263,312	100.00	100.00

^a Includes JPMorgan Chase Bank, N.A. holding 29.04% of the total ordinary issued share capital (excluding shares held in treasury) as the approved depositary for ADSs, a breakdown of which is shown in the table below.

Register of holders of American depositary shares (ADSs) as at 31 December 2015^a

Range of holdings	Number of ADS holders	Percentage of total ADS holders	Percentage of total ADSs
1-200	54,200	58.44	0.34
201-1,000	24,782	26.73	1.33
1,001-10,000	13,097	14.12	3.84
10,001-100,000	662	0.71	1.23
100,001-1,000,000	9	0.00	0.16
Over 1,000,000 ^b	1	0.00	93.10
Totals	92,751	100.00	100.00

^a One ADS represents six 25 cent ordinary shares.
^b One holder of ADSs represents 991,246 underlying shareholders, as at 11 January 2016.

As at 31 December 2015, there were also 1,436 preference shareholders. Preference shareholders represented 0.46% and ordinary shareholders represented 99.54% of the total issued nominal share capital of the company (excluding shares held in treasury) as at that date.

In accordance with DTR 5, we have received notification that as at 31 December 2015 BlackRock, Inc held 6.42% and Legal & General Group plc held 3.23% of the voting rights of the issued share capital of the company. As at 16 February 2016 BlackRock, Inc. held 6.86% and Legal & General Group plc held 3.21% of the voting rights of the issued share capital of the company.

Under the US Securities Exchange Act of 1934 BP has received notification of the following interests as at 16 February 2016:

Holder	Holding of ordinary shares	Percentage of ordinary share capital excluding shares held in treasury
JPMorgan Chase Bank N.A., depositary for ADSs, through its nominee Guaranty Nominees Limited	5,361,923,151	29.01
BlackRock, Inc.	1,269,247,291	6.86

The company’s major shareholders do not have different voting rights.

The company has also been notified of the following interests in preference shares as at 16 February 2016:

Holder	Holding of 8% cumulative first preference shares	Percentage of class
The National Farmers Union Mutual Insurance Society	945,000	13.07
M & G Investment Management Ltd.	528,150	7.30

Holder	Holding of 9% cumulative second preference shares	Percentage of class
The National Farmers Union Mutual Insurance Society	987,000	18.03
M & G Investment Management Ltd.	644,450	11.77
Bank Julius Baer	294,000	5.37
Smith & Williamson Investment Management Ltd.	279,500	5.11

In accordance with DTR 5.8.12, Smith and Williamson Holdings Limited disposed of its interest in 32,500 8% cumulative first preference shares during 2014.

In accordance with DTR 5.6, BlackRock, Inc. notified the company that its indirect interest in ordinary shares decreased below 5% during 2014.

UBS Investment Bank notified the company that its indirect interest in ordinary shares increased above 3% on 9 February 2015 and that it decreased below the notifiable threshold on 16 February 2015.

UBS Investment Bank notified the company that its indirect interest in ordinary shares increased above 3% on 7 May 2015 and that it decreased below the notifiable threshold on 11 May 2015.

The Capital Group of Companies, Inc. notified the company that its indirect interest in ordinary shares decreased below the notifiable threshold on 21 July 2015.

UBS Investment Bank notified the company that its indirect interest in ordinary shares increased above 3% on 4 November 2015 and that it decreased below the notifiable threshold on 9 November 2015.

BlackRock, Inc. notified the company that its indirect interest in ordinary shares remained above the previously disclosed threshold of 5%, on 26 November 2015, that it decreased below 5% on 4 February 2016 and that it increased above 5% on 15 February 2016.

As at 16 February 2016, the total preference shares in issue comprised only 0.46% of the company’s total issued nominal share capital (excluding shares held in treasury), the rest being ordinary shares.

Annual general meeting

The 2016 AGM will be held on Thursday 14 April 2016 at 11.30am at ExCeL London, One Western Gateway, Royal Victoria Dock, London, E16 1XL. A separate notice convening the meeting is distributed to shareholders, which includes an explanation of the items of business to be considered at the meeting.

All resolutions for which notice has been given will be decided on a poll. Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution for their reappointment is included in the *Notice of BP Annual General Meeting 2016*.

Memorandum and Articles of Association

The following summarizes certain provisions of the company’s Memorandum and Articles of Association and applicable English law. This summary is qualified in its entirety by reference to the UK Companies Act 2006 (the Act) and the company’s Memorandum and Articles of Association. For information on where investors can obtain copies of the Memorandum and Articles of Association see Documents on display on page 254.

The company’s Articles of Association may be amended by a special resolution at a general meeting of the shareholders. At the annual general meeting (AGM) held on 17 April 2008 shareholders voted to adopt new Articles of Association, largely to take account of changes in UK company law brought about by the Act. Further amendments to the Articles of Association were approved by shareholders at the AGM held on 15 April 2010. At the AGM held on 16 April 2015 shareholders voted to adopt new Articles of Association to reflect developments in practice and to provide clarification and additional flexibility.

Objects and purposes

BP is incorporated under the name BP p.l.c. and is registered in England and Wales with the registered number 102498. The provisions regulating the operations of the company, known as its ‘objects’, were historically

Table of Contents

stated in a company's memorandum. The Act abolished the need to have object provisions and so at the AGM held on 15 April 2010 shareholders approved the removal of its objects clause together with all other provisions of its Memorandum that, by virtue of the Act, are treated as forming part of the company's Articles of Association.

Directors

The business and affairs of BP shall be managed by the directors. The company's Articles of Association provide that directors may be appointed by the existing directors or by the shareholders in a general meeting. Any person appointed by the directors will hold office only until the next general meeting, notice of which is first given after their appointment and will then be eligible for re-election by the shareholders. A director may be removed by BP as provided for by applicable law and shall vacate office in certain circumstances as set out in the Articles of Association. In addition, the company may by special resolution remove a director before the expiration of his/her period of office and, subject to the Articles of Association, may by ordinary resolution appoint another person to be a director instead. There is no requirement for a director to retire on reaching any age.

The Articles of Association place a general prohibition on a director voting in respect of any contract or arrangement in which the director has a material interest other than by virtue of such director's interest in shares in the company. However, in the absence of some other material interest not indicated below, a director is entitled to vote and to be counted in a quorum for the purpose of any vote relating to a resolution concerning the following matters:

- The giving of security or indemnity with respect to any money lent or obligation taken by the director at the request or benefit of the company or any of its subsidiaries.
- Any proposal in which the director is interested, concerning the underwriting of company securities or debentures or the giving of any security to a third party for a debt or obligation of the company or any of its subsidiaries.
- Any proposal concerning any other company in which the director is interested, directly or indirectly (whether as an officer or shareholder or otherwise) provided that the director and persons connected with such director are not the holder or holders of 1% or more of the voting interest in the shares of such company.
- Any proposal concerning the purchase or maintenance of any insurance policy under which the director may benefit.
- Any proposal concerning the giving to the director of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors or to the funding by the company of his expenditure on defending proceedings or the doing by the company of anything to enable the director to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements.
- Any proposal concerning an arrangement for the benefit of the employees and directors or former employees and former directors of the company or any of its subsidiary undertakings, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any director any privilege or advantage not generally accorded to the employees or former employees to whom the arrangement relates.

The Act requires a director of a company who is in any way interested in a contract or proposed contract with the company to declare the nature of the director's interest at a meeting of the directors of the company. The definition of 'interest' includes the interests of spouses, children, companies and trusts. The Act also requires that a director must avoid a situation where a director has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. The Act allows directors of public companies to authorize such conflicts where appropriate, if a company's Articles of Association so permit. BP's Articles of Association permit the authorization of such conflicts. The directors may exercise all the powers of the company to borrow money, except that the amount remaining undischarged of all moneys borrowed by the company shall not, without approval of the shareholders, exceed two times the amount paid up on the share capital plus the aggregate of the amount of the capital and revenue reserves of the company. Variation of the borrowing power of the board may only be affected by amending the Articles of Association.

Remuneration of non-executive directors shall be determined in the aggregate by resolution of the shareholders. Remuneration of executive directors is determined by the remuneration committee. This committee is made up of non-executive directors only. There is no requirement of share ownership for a director's qualification.

Dividend rights; other rights to share in company profits; capital calls

If recommended by the directors of BP, BP shareholders may, by resolution, declare dividends but no such dividend may be declared in excess of the amount recommended by the directors. The directors may also pay interim dividends without obtaining shareholder approval. No dividend may be paid other than out of profits available for distribution, as determined under IFRS and the Act. Dividends on ordinary shares are payable only after payment of dividends on BP preference shares. Any dividend unclaimed after a period of 12 years from the date of declaration of such dividend shall be forfeited and reverts to BP. If the company exercises its right to forfeit shares and sells shares belonging to an untraced shareholder then any dividends or other monies unclaimed in respect of those shares will be forfeited after a period of two years.

The directors have the power to declare and pay dividends in any currency provided that a sterling equivalent is announced. It is not the company's intention to change its current policy of paying dividends in US dollars. At the company's AGM held on 15 April 2010, shareholders approved the introduction of a Scrip Dividend Programme (Scrip Programme) and to include provisions in the Articles of Association to enable the company to operate the Scrip Programme. The Scrip Programme was renewed at the company's AGM held on 16 April 2015 for a further three years. The Scrip Programme enables ordinary shareholders and BP ADS holders to elect to receive new fully paid ordinary shares (or BP ADSs in the case of BP ADS holders) instead of cash. The operation of the Scrip Programme is always subject to the directors' decision to make the scrip offer available in respect of any particular dividend. Should the directors decide not to offer the scrip in respect of any particular dividend, cash will automatically be paid instead.

Apart from shareholders' rights to share in BP's profits by dividend (if any is declared or announced), the Articles of Association provide that the directors may set aside:

- A special reserve fund out of the balance of profits each year to make up any deficit of cumulative dividend on the BP preference shares.
- A general reserve out of the balance of profits each year, which shall be applicable for any purpose to which the profits of the company may properly be applied. This may include capitalization of such sum, pursuant to an ordinary shareholders' resolution, and distribution to shareholders as if it were distributed by way of a dividend on the ordinary shares or in paying up in full unissued ordinary shares for allotment and distribution as bonus shares.

Any such sums so deposited may be distributed in accordance with the manner of distribution of dividends as described above.

Holders of shares are not subject to calls on capital by the company, provided that the amounts required to be paid on issue have been paid off. All shares are fully paid.

Voting rights

The Articles of Association of the company provide that voting on resolutions at a shareholders' meeting will be decided on a poll other than resolutions of a procedural nature, which may be decided on a show of hands. If voting is on a poll, every shareholder who is present in person or by proxy has one vote for every ordinary share held and two votes for every £5 in nominal amount of BP preference shares held. If voting is on a show of hands, each shareholder who is present at the meeting in person or whose duly appointed proxy is present in person will have one vote, regardless of the number of shares held, unless a poll is requested.

Shareholders do not have cumulative voting rights.

For the purposes of determining which persons are entitled to attend or vote at a shareholders' meeting and how many votes such persons may cast, the company may specify in the notice of the meeting a time, not more than 48 hours before the time of the meeting, by which a person who holds shares in registered form must be entered on the company's register of members in order to have the right to attend or vote at the meeting or to appoint a proxy to do so.

Table of Contents

Holders on record of ordinary shares may appoint a proxy, including a beneficial owner of those shares, to attend, speak and vote on their behalf at any shareholders' meeting, provided that a duly completed proxy form is received not less than 48 hours (or such shorter time as the directors may determine) before the time of the meeting or adjourned meeting or, where the poll is to be taken after the date of the meeting, not less than 24 hours (or such shorter time as the directors may determine) before the time of the poll.

Record holders of BP ADSs are also entitled to attend, speak and vote at any shareholders' meeting of BP by the appointment by the approved depository, JPMorgan Chase Bank N.A., of them as proxies in respect of the ordinary shares represented by their ADSs. Each such proxy may also appoint a proxy. Alternatively, holders of BP ADSs are entitled to vote by supplying their voting instructions to the depository, who will vote the ordinary shares represented by their ADSs in accordance with their instructions.

Proxies may be delivered electronically.

Corporations who are members of the company may appoint one or more persons to act as their representative or representatives at any shareholders' meeting provided that the company may require a corporate representative to produce a certified copy of the resolution appointing them before they are permitted to exercise their powers.

Matters are transacted at shareholders' meetings by the proposing and passing of resolutions, of which there are two types: ordinary or special.

An ordinary resolution requires the affirmative vote of a majority of the votes of those persons voting at a meeting at which there is a quorum. A special resolution requires the affirmative vote of not less than three quarters of the persons voting at a meeting at which there is a quorum. Any AGM requires 21 clear days' notice. The notice period for any other general meeting is 14 clear days subject to the company obtaining annual shareholder approval, failing which, a 21 clear day notice period will apply.

Liquidation rights; redemption provisions

In the event of a liquidation of BP, after payment of all liabilities and applicable deductions under UK laws and subject to the payment of secured creditors, the holders of BP preference shares would be entitled to the sum of (1) the capital paid up on such shares plus, (2) accrued and unpaid dividends and (3) a premium equal to the higher of (a) 10% of the capital paid up on the BP preference shares and (b) the excess of the average market price over par value of such shares on the LSE during the previous six months. The remaining assets (if any) would be divided pro rata among the holders of ordinary shares.

Without prejudice to any special rights previously conferred on the holders of any class of shares, BP may issue any share with such preferred, deferred or other special rights, or subject to such restrictions as the shareholders by resolution determine (or, in the absence of any such resolutions, by determination of the directors), and may issue shares that are to be or may be redeemed.

Variation of rights

The rights attached to any class of shares may be varied with the consent in writing of holders of 75% of the shares of that class or on the adoption of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate meeting, all of the provisions of the Articles of Association relating to proceedings at a general meeting apply, except that the quorum with respect to a meeting to change the rights attached to the preference shares is 10% or more of the shares of that class, and the quorum to change the rights attached to the ordinary shares is one third or more of the shares of that class.

Shareholders' meetings and notices

Shareholders must provide BP with a postal or electronic address in the UK to be entitled to receive notice of shareholders' meetings. Holders of BP ADSs are entitled to receive notices under the terms of the deposit agreement relating to BP ADSs. The substance and timing of notices are described on page 252 under the heading Voting rights.

Under the Act, the AGM of shareholders must be held once every year, within each six month period beginning with the day following the

company's accounting reference date. All general meetings shall be held at a time and place (in England) determined by the directors. If any shareholders' meeting is adjourned for lack of quorum, notice of the time and place of the adjourned meeting may be given in any lawful manner, including electronically. Powers exist for action to be taken either before or at the meeting by authorized officers to ensure its orderly conduct and safety of those attending.

Limitations on voting and shareholding

There are no limitations, either under the laws of the UK or under the company's Articles of Association, restricting the right of non-resident or foreign owners to hold or vote BP ordinary or preference shares in the company other than limitations that would generally apply to all of the shareholders and limitations applicable to certain countries and persons subject to EU economic sanctions or those sanctions adopted by the UK government which implement resolutions of the Security Council of the United Nations.

Disclosure of interests in shares

The Act permits a public company to give notice to any person whom the company believes to be or, at any time during the three years prior to the issue of the notice, to have been interested in its voting shares requiring them to disclose certain information with respect to those interests. Failure to supply the information required may lead to disenfranchisement of the relevant shares and a prohibition on their transfer and receipt of dividends and other payments in respect of those shares and any new shares in the company issued in respect of those shares. In this context the term 'interest' is widely defined and will generally include an interest of any kind whatsoever in voting shares, including any interest of a holder of BP ADSs.

Called-up share capital

Details of the allotted, called-up and fully-paid share capital at 31 December 2015 are set out in Financial statements – Note 30. At the AGM on 16 April 2015, authorization was given to the directors to allot shares up to an aggregate nominal amount equal to \$3,040 million. Authority was also given to the directors to allot shares for cash and to dispose of treasury shares, other than by way of rights issue, up to a maximum of \$228 million, without having to offer such shares to existing shareholders. These authorities were given for the period until the next AGM in 2016 or 16 July 2016, whichever is the earlier. These authorities are renewed annually at the AGM.

Purchases of equity securities by the issuer and affiliated purchasers

At the AGM on 16 April 2015, authorization was given to the company to repurchase up to 1.8 billion ordinary shares for the period until the next AGM in 2016 or 16 July 2016, being the latest dates by which an AGM must be held for that year. This authorization is renewed annually at the AGM. No ordinary shares were repurchased during 2015. The following table provides details of ordinary share purchases made by the Employee Share Ownership Plans (ESOPs) and other purchases of ordinary shares and ADSs made to satisfy the requirements of certain employee share-based payment plans.

	Number of shares purchased by ESOPs or for certain employee share-based plans ^a	Average price paid per share \$
2015		
January 5 – January 30	36,600,000	6.19
February 2 to February 5	6,960,000	6.50
September 21	1,132,000	5.22
October 29	2,800,000	5.99
November 3 – November 4	2,700,000	5.94
December 15	950,000	5.16
2016		
January 1 – January 31	Nil	
February 1 to February 16	Nil	

^a All share purchases were of ordinary shares of 25 cents each and/or ADSs (each representing six ordinary shares) and were on/open market transactions.

Table of Contents

Fees and charges payable by ADSs holders

The Depositary collects fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of the distributable property to pay the fees.

The charges of the Depositary payable by investors are as follows:

Type of service	Depositary actions	Fee
Depositing or substituting the underlying shares	Issuance of ADSs against the deposit of shares, including deposits and issuances in respect of: <ul style="list-style-type: none"> • Share distributions, stock splits, rights, merger. • Exchange of securities or other transactions or event or other distribution affecting the ADSs or deposited securities. 	\$5.00 per 100 ADSs (or portion thereof) evidenced by the new ADSs delivered.
Selling or exercising rights	Distribution or sale of securities, the fee being an amount equal to the fee for the execution and delivery of ADSs that would have been charged as a result of the deposit of such securities.	\$5.00 per 100 ADSs (or portion thereof).
Withdrawing an underlying share	Acceptance of ADSs surrendered for withdrawal of deposited securities.	\$5.00 for each 100 ADSs (or portion thereof) evidenced by the ADSs surrendered.
Expenses of the Depositary	Expenses incurred on behalf of holders in connection with: <ul style="list-style-type: none"> • Stock transfer or other taxes and governmental charges. • Delivery by cable, telex, electronic and facsimile transmission. • Transfer or registration fees, if applicable, for the registration of transfers of underlying shares. • Expenses of the Depositary in connection with the conversion of foreign currency into US dollars (which are paid out of such foreign currency). 	Expenses payable are subject to agreement between the company and the Depositary by billing holders or by deducting charges from one or more cash dividends or other cash distributions.
Dividend fees	ADS holders who receive a cash dividend are charged a fee which BP uses to offset the costs associated with administering the ADS programme.	US\$0.005 per BP ADS per quarter per cash distribution.

Fees and payments made by the Depositary to the issuer

The Depositary has agreed to reimburse certain company expenses related to the company's ADS programme and incurred by the company in connection with the ADS programme arising during the year ended 31 December 2015. The Depositary reimbursed to the company, or paid amounts on the company's behalf to third parties, or waived its fees and expenses, of \$11,858,206.46 for the year ended 31 December 2015.

The table below sets out the types of expenses that the Depositary has agreed to reimburse and the fees it has agreed to waive for standard costs associated with the administration of the ADS programme relating to the year ended 31 December 2015. The Depositary has also paid certain expenses directly to third parties on behalf of the company.

Category of expense reimbursed, waived or paid directly to third parties	Amount reimbursed, waived or paid directly to third parties for the year ended 31 December 2015
Service fees and out of pocket expenses waived ^a	37,650
Other third-party mailing costs reimbursed ^b	54,014.67
Dividend fees ^c	11,766,541.79
Total	11,858,206.46

^a Includes fees in relation to transfer agent costs and costs of the BP Scrip Dividend Programme operated by JPMorgan Chase Bank, N.A.

^b Payment of fees to Precision IR for investor support.

^c Dividend fees are charged to ADS holders who receive a cash distribution, which BP uses to offset the costs associated with administering the ADS programme.

Under certain circumstances, including removal of the Depositary or termination of the ADR programme by the company, the company is required to repay the Depositary certain amounts reimbursed and/or expenses paid to or on behalf of the company during the 12-month period prior to notice of removal or termination.

Documents on display

BP Annual Report and Form 20-F 2015 and BP Strategic Report 2015 are available online at bp.com/annualreport. To obtain a hard copy of BP's complete audited financial statements, free of charge, UK based shareholders should contact BP Distribution Services by calling +44 (0)870 241 3269 or by emailing bpdistributionsservices@bp.com. If based in the US or Canada shareholders should contact Issuer Direct by calling +1 888 301 2505 or by emailing bpreports@precisionir.com.

The company is subject to the information requirements of the US Securities Exchange Act of 1934 applicable to foreign private issuers. In accordance with these requirements, the company files its Annual Report and Form 20-F and other related documents with the SEC. It is possible to read and copy documents that have been filed with the SEC at its headquarters located at 100 F Street, NE, Washington, DC 20549, US. You may also call the SEC at +1 800-SEC-0330. In addition, BP's SEC filings are available to the public at the SEC's website. BP discloses in this report (see Corporate governance practices (Form 20-F Item 16G) on page 244) significant ways (if any) in which its corporate governance practices differ from those mandated for US companies under NYSE listing standards.

Shareholding administration

If you have any queries about the administration of shareholdings, such as change of address, change of ownership, dividend payments, the Scrip Programme or to change the way you receive your company documents (such as the *BP Annual Report and Form 20-F*, *BP Strategic Report* and *Notice of BP Annual General Meeting*) please contact the BP Registrar or the BP ADS Depositary.

Ordinary and preference shareholders

The BP Registrar Capita Asset Services
The Registry, 34 Beckenham Road
Beckenham, Kent BR3 4TU, UK

Freephone in UK 0800 701107
From outside the UK +44 (0)20 3170 3678

Fax +44 (0)1484 601512

ADS holders

JPMorgan Chase Bank, N.A. PO Box 64504
St Paul, MN 55164-0504, US

Toll-free in US and Canada +1 877 638 5672
From outside the US and Canada +1 651 306 4383

Exhibits

The following documents are filed in the Securities and Exchange Commission (SEC) EDGAR system, as part of this Annual Report on Form 20-F, and can be viewed on the SEC's website.

Exhibit 1	Memorandum and Articles of Association of BP p.l.c.†
Exhibit 4.1	The BP Executive Directors' Incentive Plan***†
Exhibit 4.2	Amended BP Deferred Annual Bonus Plan 2005**†
Exhibit 4.3	Amended Director's Secondment Agreement for R W Dudley*****†
Exhibit 4.4	Amended Director's Service Contract and Secondment Agreement for R W Dudley*†
Exhibit 4.7	Director's Service Contract for Dr B Gilvary****†
Exhibit 4.10	The BP Share Award Plan 2015†
Exhibit 7	Computation of Ratio of Earnings to Fixed Charges (Unaudited)†
Exhibit 8	Subsidiaries (included as Note 36 to the Financial Statements)
Exhibit 11	Code of Ethics*****†
Exhibit 12	Rule 13a - 14(a) Certifications†
Exhibit 13	Rule 13a - 14(b) Certifications#†
Exhibit 15.1	Consent of DeGolyer and MacNaughton†
Exhibit 15.2	Report of DeGolyer and MacNaughton†
Exhibit 15.3	Administrative Agreement dated as of 13 March 2014 among the US Environmental Protection Agency, BP p.l.c., and other BP subsidiaries***†
Exhibit 15.4	Proposed Consent Decree†
Exhibit 15.5	Gulf states Settlement Agreement†

* Incorporated by reference to the company's Annual Report on Form 20-F for the year ended 31 December 2010.

** Incorporated by reference to the company's Annual Report on Form 20-F for the year ended 31 December 2012.

*** Incorporated by reference to the company's Annual Report on Form 20-F for the year ended 31 December 2014.

**** Incorporated by reference to the company's Annual Report on Form 20-F for the year ended 31 December 2011.

***** Incorporated by reference to the company's Annual Report on Form 20-F for the year ended 31 December 2009.

***** Incorporated by reference to the company's Annual Report on Form 20-F for the year ended 31 December 2013.

Furnished only.

† Included only in the annual report filed in the Securities and Exchange Commission EDGAR system.

The total amount of long-term securities of the Registrant and its subsidiaries authorized under any one instrument does not exceed 10% of the total assets of BP p.l.c. and its subsidiaries on a consolidated basis.

The company agrees to furnish copies of any or all such instruments to the SEC on request.

Abbreviations, glossary and trade marks

ADR

American depositary receipt.

ADS

American depositary share. 1 ADS = 6 ordinary shares.

Barrel (bbl)

159 litres, 42 US gallons.

bcf/d

Billion cubic feet per day.

bcfe

Billion cubic feet equivalent.

bcma

Billion cubic metres per annum.

b/d

Barrels per day.

boe/d

Barrels of oil equivalent per day.

DoJ

US Department of Justice.

GAAP

Generally accepted accounting practice.

Gas

Natural gas.

GHG

Greenhouse gas.

GWh

Gigawatt hour.

HSSE

Health, safety, security and environment.

IFRS

International Financial Reporting Standards.

KPIs

Key performance indicators.

LNG

Liquefied natural gas.

LPG

Liquefied petroleum gas.

mb/d

Thousand barrels per day.

mboe/d

Thousand barrels of oil equivalent per day.

mmB/d

Million barrels per day.

mmboe/d

Million barrels of oil equivalent per day.

mmBtu

Million British thermal units.

mmcf/d

Million cubic feet per day.

mmte

Million tonnes.

MW

Megawatt.

NGLs

Natural gas liquids.

PSA

Production-sharing agreement.

PTA

Purified terephthalic acid.

RC

Replacement cost.

SEC

The United States Securities and Exchange Commission.

Glossary

Unless the context indicates otherwise, the definitions for the following glossary terms are given below.

Associate

An entity over which the group has significant influence and that is neither a subsidiary nor a joint arrangement of the group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Brent

A trading classification for North Sea crude oil that serves as a major benchmark price for purchases of oil worldwide.

Cash costs

Non-GAAP measure. Cash costs are a subset of production and manufacturing expenses plus distribution and administration expenses and excludes costs that are classified as non-operating items. They represent the substantial majority of the remaining expenses in these line items but exclude certain costs that are variable, primarily with volumes (such as freight costs). Management believes that the presentation of cash costs is a performance measure that provides investors with useful information regarding the company's financial condition because it considers these expenses to be the principal operating and overhead expenses that are most directly under their control although they also include certain foreign exchange and commodity price effects.

Consolidation adjustment – UPII

Unrealized profit in inventory arising on inter-segment transactions.

Commodity trading contracts

BP's Upstream and Downstream segments both participate in regional and global commodity trading markets in order to manage, transact and hedge the crude oil, refined products and natural gas that the group either produces or consumes in its manufacturing operations. These physical trading activities, together with associated incremental trading opportunities, are discussed in Upstream on page 28 and in Downstream on page 34. The range of contracts the group enters into in its commodity trading operations is described below. Using these contracts, in combination with rights to access storage and transportation capacity, allows the group to access advantageous pricing differences between locations, time periods and arbitrage between markets.

Exchange-traded commodity derivatives

Contracts that are typically in the form of futures and options traded on a recognized exchange, such as Nymex and ICE. Such contracts are traded in standard specifications for the main marker crude oils, such as Brent and West Texas Intermediate; the main product grades, such as gasoline and gasoil; and for natural gas and power. Gains and losses, otherwise referred to as variation margin, are generally settled on a daily basis with the relevant exchange. These contracts are used for the trading and risk management of crude oil, refined products, and natural gas and power. Realized and unrealized gains and losses on exchange-traded commodity derivatives are included in sales and other operating revenues for accounting purposes.

Over-the-counter contracts

Contracts that are typically in the form of forwards, swaps and options. Some of these contracts are traded bilaterally between counterparties or through brokers, others may be cleared by a central clearing counterparty. These contracts can be used both for trading and risk management activities. Realized and unrealized gains and losses on over-the-counter (OTC) contracts are included in sales and other operating revenues for accounting purposes. Many grades of crude oil bought and sold use standard contracts including US domestic light sweet crude oil, commonly referred to as West Texas Intermediate, and a standard North Sea crude blend – Brent, Forties, Oseberg and Ekofisk (BFOE). Forward contracts are used in connection with the purchase of crude oil supplies for refineries, products for marketing and sales of the group's oil production and refined products. The contracts typically contain standard delivery and settlement terms. These transactions call for physical delivery of oil with consequent operational and price risk. However, various means exist and are used from time to time, to settle obligations under the contracts in cash rather than through physical delivery.

Because the physically settled transactions are delivered by cargo, the BFOE contract additionally specifies a standard volume and tolerance.

Gas and power OTC markets are highly developed in North America and the UK, where commodities can be bought and sold for delivery in future periods. These contracts are negotiated between two parties to purchase and sell gas and power at a specified price, with delivery and settlement at a future date. Typically, the contracts specify delivery terms for the underlying commodity. Some of these transactions are not settled physically as they can be achieved by transacting offsetting sale or purchase contracts for the same location and delivery period that are offset during the scheduling of delivery or dispatch. The contracts contain standard terms such as delivery point, pricing mechanism, settlement terms and specification of the commodity. Typically, volume, price and term (e.g. daily, monthly and balance of month) are the main variable contract terms.

Swaps are often contractual obligations to exchange cash flows between two parties. A typical swap transaction usually references a floating price and a fixed price with the net difference of the cash flows being settled. Options give the holder the right, but not the obligation, to buy or sell crude, oil products, natural gas or power at a specified price on or before a specific future date. Amounts under these derivative financial instruments are settled at expiry. Typically, netting agreements are used to limit credit exposure and support liquidity.

Spot and term contracts

Spot contracts are contracts to purchase or sell a commodity at the market price prevailing on or around the delivery date when title to the inventory is taken. Term contracts are contracts to purchase or sell a commodity at regular intervals over an agreed term. Though spot and term contracts may have a standard form, there is no offsetting mechanism in place. These transactions result in physical delivery with operational and price risk. Spot and term contracts typically relate to purchases of crude for a refinery, products for marketing, or third-party natural gas, or sales of the group's oil production, oil products or gas production to third parties. For accounting purposes, spot and term sales are included in sales and other operating revenues when title passes. Similarly, spot and term purchases are included in purchases for accounting purposes.

Dividend yield

Sum of the four quarterly dividends announced in respect of the year as a percentage of the year-end share price on the respective exchange. The ordinary shareholders annual dividend yield includes an estimate of the sterling amount expected to be paid in respect of the dividend for the fourth quarter 2015 which was announced on 2 February 2016 in US dollars.

Fair value accounting effects

We use derivative instruments to manage the economic exposure relating to inventories above normal operating requirements of crude oil, natural gas and petroleum products. Under IFRS, these inventories are recorded at historical cost. The related derivative instruments, however, are required to be recorded at fair value with gains and losses recognized in the income statement. This is because hedge accounting is either not permitted or not followed, principally due to the impracticality of effectiveness-testing requirements. Therefore, measurement differences in relation to recognition of gains and losses occur. Gains and losses on these inventories are not recognized until the commodity is sold in a subsequent accounting period. Gains and losses on the related derivative commodity contracts are recognized in the income statement from the time the derivative commodity contract is entered into on a fair value basis using forward prices consistent with the contract maturity.

BP enters into commodity contracts to meet certain business requirements, such as the purchase of crude for a refinery or the sale of BP's gas production. Under IFRS these contracts are treated as derivatives and are required to be fair valued when they are managed as part of a larger portfolio of similar transactions. Gains and losses arising are recognized in the income statement from the time the derivative commodity contract is entered into.

IFRS require that inventory held for trading is recorded at its fair value using period-end spot prices, whereas any related derivative commodity instruments are required to be recorded at values based on forward prices consistent with the contract maturity. Depending on market conditions, these forward prices can be either higher or lower than spot