

Minutes of a meeting of the
Safety, Ethics and Environment Assurance Committee
Held at 1 St James's Square, London SW1Y 4PD
on 24th February 2010

Present: Sir William Castell Chairman
Mr. A. Burgmans

and Mr. D.J. Pearl

Apologies: Mrs. C.B. Carroll
Mr. E.B. Davis, Jr.

In attendance: Dr. A.B. Hayward Mr. M. Bly
Mr. I.C. Conn Mr. D. Viles
Mr. R. Bondy Mr. A. Wilson (Ernst & Young)
Mr. D. Wilson Items 2-5 Mr. D. Bickerton Item 6

1. Introduction

Sir William welcomed Mr. Anderson to the Committee and noted that Ms Carroll and Mr. Davis were unfortunately unable to attend the meeting.

2. Matters Arising

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3. Operations Risk Report

Mr. Bly reviewed the Q4 2009 HSE and Operations Integrity Report and noted significant improvements in performance metrics between 2008 and 2009. He highlighted close to 300 fewer injuries, reduced loss of containment, no process safety MIAs and a 30% reduction in HIROs. However, he noted that Q4 had shown a deterioration over Q3 and significant integrity management incidents were still occurring.

Mr. Bly highlighted developments in five areas. OMS had been implemented in 70 operating sites, Group Engineering Practices had been solidified, HSE compliance was receiving more attention in management reporting, good progress had been made in capability development and the impact of GHG regulation was receiving greater focus. Dr. Hayward confirmed that GORC were placing additional emphasis on compliance reporting.

Mr. Bly discussed the Group's S&OJ risks and priorities for 2010 and highlighted key activities and target dates in the 2010-2014 timeframe.

Sir William requested the Committee be updated later in the year on the previously provided report measuring progress in embedding a culture of process safety and compliance at all levels of the organisation. The results of the 2010 US Refining culture survey update will be shared with the SEEAC once completed.

4. Responses to the Independent Safety Review Panel's Recommendations

Mr. Conn introduced the papers addressing progress made at the Group level and within US refining in responding to the Panel's recommendations. He referred to the positive impact of implementing OMS and the Control of Work standard, the value derived from the Operations Academy and from the SIP process, and the strong 'tone at the top' being set by management. He considered the reports indicated a good interim scorecard but noted that systematic management processes could be strengthened further.

The Committee noted that a separate paper had been sent to Mr. Wilson by Mr. Pearl to provide an update on the progress made at Board level to the Panel's recommendations.

5. Independent Expert's Report and 2010 Work Plan

Mr. Wilson reviewed his proposed work plan for 2010 noting that more focus would be placed on ensuring work processes and systems are in place to deliver sustainable high performance. The Committee endorsed Mr. Wilson's proposals.

Mr. Wilson noted that he had recently completed in depth visits to all 5 US refineries and worked with Refining to update the 2010 SIPs. He noted that BP had appointed programme managers for five key activities including safety instrumented systems and relief valves.

Mr. Wilson reviewed areas of achievement and notable progress noting that 98% of SIP milestones had been closed on time. He commented positively on the development of capability training, control of work procedures and the 17 common reporting metrics used across all five refineries. He considered the company's work on facility siting and safety shelters to be industry leading.

Mr. Wilson also highlighted areas requiring continued attention. He referred to embedding OMS and closing remaining gaps; to establishing more formal documentation on roles and responsibilities; and to improving incident investigations and subsequent learning. He also discussed closure dates on actions arising from process safety audits, and action item tracking and reporting more generally.

Mr. Wilson reviewed progress made in the areas identified in his second annual report as requiring more focused attention. He considered that overtime levels remained high at some sites despite an overall improvement. The Committee discussed with Mr. Conn and Dr. Hayward the issues involved in accelerating progress in this area, notably in achieving agreement with the USW. It was noted that reducing overtime remained a high priority issue. Mr. Wilson also discussed action item tracking, incident investigations, safety instrumented systems, variable pay objectives and audit action closure dates. The Committee noted that faster progress on implementing safety instrumented systems was not constrained by finance.

Mr. Wilson concluded by reviewing new areas he had identified for focused attention, referring in particular to defining the attributes that create good process safety culture.

Mr. Wilson confirmed to the Committee that he considered he remained independant, had sufficient resources at his disposal and continued to have good visibility within the company.

6. Annual Reporting

Dr. Bickerton discussed the safety and environment section of the Annual Report and Accounts. concluded **PRIVILEGED** **PRIVILEGED**

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Dr. Bickerton reviewed the approach taken to the BP Sustainability Report for 2009 and outlined its proposed content. He discussed external perceptions of the company's reporting of sustainability issues, and reviewed the topics that are material in the public's perception. He noted that the document in printed form would increase from 24 pages in 2009 to 32 pages in 2010 in a five chapter format. It was noted that the Sustainability Report provided an opportunity for the company to reinforce the company's perspective on energy futures and in particular the important role of natural gas.

7. Forward Agenda

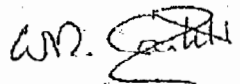
Mr. Pearl described the process followed in developing the Committee's outline forward agenda and highlighted topics specifically identified for review in 2010. The Committee noted the site visits proposed for the year and suggested consideration be given to visiting Alaska and possibly Angola in 2011.

8. Any Other Business

NON RESPONSIVE

9. Private Meeting

Committee members reviewed the topics discussed during the meeting and agreed the key points that would be reported to the Board the following day.



CHAIRMAN

