



Corporate Structure and Financing Process Guidance

OVERVIEW

Support from Treasury and Tax is required for any action which will involve changing the Group's corporate legal entity structure or which involves the financing of a project or legal entity. Exercise of that support is documented through a Corporate Structure and Financing Note ("SFN").

Authorities

To implement a change to the Group's legal entity structure or funding, more than one type of authority may have to be exercised within BP's System of Internal Control (refer to the Group's System of Internal Control website, http://global.bpweb.bp.com/about_bp/abp-SIC-homepage.aspx).

BP is organised and governed through a system of delegated authority reflecting business and control requirements. This internal delegation system falls into three different but complementary elements, and all three elements are required to take actions. **Plan delegations** define a set of activities and targets to make resources available, while **standing delegations** release these resources for specific actions. All decisions are formally governed by **legal entity delegations** (refer to the Group's Delegation of Authority (DoA) website, <http://authorities.bpweb.bp.com/intro/default.aspx?pageid=202>).

- **Standing Delegations (management authority).** Unique Authority (UA) is delegated under the Group's DoA via the CFO to Treasury and Tax for any changes to the Group's corporate legal entity structure and for financing transactions. The procedure through which this authority is exercised requires that support from Treasury and Tax be documented in a **Corporate Structure and Financing Note (SFN)**.¹
- The Group Investment Assurance and Approvals Process (GIAAP) Group Standard sets out the requirements for Group investments, including other commitments of Group resources when required to progress business of the Group (whether as capex, a divestment or a long-term contractual commitment). Authority to commit to such investments is exercised by a manager in the relevant Segment or Function, who has appropriate delegated authority, through support of a Finance Memorandum (FM). The choice of *whether* to make the investment ("Is this a good investment of Group resources?") belongs therefore with the

¹ Treasury also exercises certain of its own Unique Authorities that are not shared with Tax (for example issuance of external Group debt) through an SFN: in these cases, support comes only from Treasury, but Tax will be consulted. Specific delegations are also given to IST Credit for limited types of provision of guarantees, and the SFN process is used also in the exercise of these delegations.