

## GUARANTY AGREEMENT

This Guaranty Agreement (the "Guaranty") is made by BP AMERICA INC. ("Guarantor"), a Delaware Corporation, in favor of BP International Limited, a private entity incorporated under English law (Beneficiary);

**WHEREAS**, North America Funding Company ("NAFCO") is a party to that certain \$5,000,000,000 Intercompany Loan Agreement dated March 18, 2009, evidencing or giving rise to the Guaranteed Obligations (as hereinafter defined) at any time and from time to time (the "Agreement") and, in pursuance of the Agreement, NAFCO is or may become indebted to the Beneficiary;

**AND WHEREAS**, the Guarantor is an indirect parent of NAFCO, [and will receive substantial and direct benefits from the respective transactions contemplated by the Agreement] and has agreed to enter into this Guaranty to provide assurance for the payment obligations of NAFCO in connection with the Agreement and to induce the Beneficiary to enter into the Agreement.

**NOW, THEREFORE**, in consideration of good and valuable consideration, the adequacy, receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees as follows:

1. **Guaranty.**

(a) The Guarantor hereby unconditionally, absolutely and (subject to the express provisions hereof with respect to termination) irrevocably guarantees the punctual payment when due, whether upon demand, at stated maturity, upon acceleration or otherwise, of NAFCO's payment obligations arising under the Agreement (whether present or future, direct or indirect, absolute or contingent, matured or unmatured, as the Agreement may be amended or modified by agreement in writing between NAFCO and the Beneficiary from time to time (collectively, the "Guaranteed Obligations").

(b) The total liability of the Guarantor hereunder, regardless of any amendment or modification to the Agreement, is limited to the lesser of (a) all amounts owed by NAFCO to the Beneficiary under the Agreement or (b) Five Billion Dollars (US \$5,000,000,000), plus all interest, reasonable attorneys' fees, and/or reasonable costs of collection, if any, required by the Agreement to be paid by NAFCO in the collection of Guaranteed Obligations.

(c) Subject to the limitations under subsection 1(b), the Guarantor shall reimburse the Beneficiary for all sums paid to the Beneficiary by NAFCO with

respect to such Guaranteed Obligations which the Beneficiary is subsequently required to return to NAFCO or a representative of NAFCO's creditors as a result of NAFCO's bankruptcy, insolvency, liquidation, or similar proceeding.

(d) In respect of subsection 1(c), this Guaranty shall be a continuing guaranty of all of the Guaranteed Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Beneficiary; and this Guaranty shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Beneficiary.

(e) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Beneficiary on the insolvency, bankruptcy or reorganization of NAFCO or the Guarantor or otherwise, all as though such payment had not been made.

(f) The Guarantor's obligations and liability under this Guaranty shall be limited to payment obligations only, and the Guarantor shall have no obligation to perform under the Agreement.

(g) In no event shall the Guarantor be liable for consequential damages.

2. **Guaranty Absolute.** The liability of Guarantor under this Guaranty shall be absolute and unconditional, and shall not be limited, lessened or discharged by any act, on the part of the Beneficiary or matter or thing irrespective of, without limitation:

(a) any incapacity or disability or lack or limitation of status or power of NAFCO or that NAFCO may not be a legal entity;

(b) the bankruptcy or insolvency of NAFCO;

(c) any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of the Guaranteed Obligations or the rights of the Beneficiary with respect thereto;

(d) any lack of validity or enforceability of the Agreement;

(e) any discontinuance of or any reduction, increase or other variation of credit granted to NAFCO or any change in the time, manner or place of payment of or in any other term of, all or any of the Guaranteed Obligations or any other amendment, modification, extension, renewal or waiver of or any consent to or other acquiescence in the departure from the terms of the Agreement, regardless of whether this Guaranty is in effect at such time; or

(f) any change in the name, constitution or capacity of NAFCO, or NAFCO being merged with another corporation, which case this Guaranty shall apply to

the liabilities of the resulting corporation, and the term "NAFCO" shall include such resulting corporation);

save due performance by NAFCO or the Guarantor. Any account settled or stated by or between the Beneficiary and NAFCO shall be accepted by the Guarantor in the absence of manifest error, as conclusive evidence that the balance or amount thereof thereby appearing due by NAFCO to the Beneficiary, is so due.

The obligations of the Guarantor hereunder are several and not joint with NAFCO or any other person, and are primary obligations for which the Guarantor is the principal obligor. There are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for the Beneficiary, in order to enforce payment by the Guarantor under this Guaranty, to exhaust any of its remedies or recourse against NAFCO, any other guarantor, or any other person liable for the payment and not of collection and shall apply regardless of whether recovery of all such Guaranteed Obligations may be discharged or uncollectible in any bankruptcy, insolvency or other proceeding, or otherwise unenforceable.

3. **Waiver.** Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, notice of the creation or existence of any of the Guaranteed Obligations and notice of any action by the Beneficiary in reliance hereon or in connection herewith;
- (b) notice of the entry into the Agreement between NAFCO and the Beneficiary and notice of any amendments, supplements or modifications thereto; or any waiver or consent under the Agreement, including waivers of the payment and performance of the obligations thereunder;
- (c) notice of any increase, reduction or rearrangement of NAFCO's obligations under the Agreement or notice of any extension of time for the payment of any sums due and payable to the Beneficiary under the Agreement;
- (d) except as expressly set forth herein, presentment, demand for payment, notice of dishonor or nonpayment, protest and notice of protest or any other notice of any other kind with respect to the Guaranteed Obligations;
- (e) any requirement that suit be brought against, or any other action by the Beneficiary be taken against, or any notice of default or other notice to be given to, or any demand be made on NAFCO or any other person, or that any other action be taken or not taken as a condition to the Guarantor's liability for the Guaranteed Obligations under this Guaranty or as a condition to the enforcement of this Guaranty against the Guarantor; and
- (f) any other circumstance (including, without limitation, the failure to obtain from any intended guarantor, other than the Guarantor, a valid guaranty and any release and discharge of any other guarantor or surety for the Guaranteed



Obligations) which might otherwise constitute a defence, set-off or counterclaim available to, or a legal or equitable discharge of, NAFCO in respect of the Guaranteed Obligations or the Guarantor in respect of this Guaranty, all of which are hereby expressly waived by the Guarantor.

4. **Subrogation.** The Guarantor shall be subrogated to all rights of the Beneficiary against NAFCO in respect of any amounts paid by the Guarantor pursuant to the Guaranty, provided that the Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise (including, without limitation, any statutory rights of subrogation under Section 509 of the Bankruptcy Code 11 U.S.C. & 509, or otherwise), reimbursement, exoneration, contribution, indemnification, or any right to participate in any claim or remedy of the Beneficiary against NAFCO or any collateral which the Beneficiary now has or acquires, until all of the Guaranteed Obligations shall have been irrevocably and indefeasibly paid to the Beneficiary in full. If (a) the Guarantor shall perform and shall make payment to the Beneficiary of all or any part of the Guaranteed Obligations, (b) all the Guaranteed Obligations shall have been indefeasibly paid in full and (c) the Beneficiary shall have confirmed in writing to NAFCO that no extensions of credit are outstanding or contracted for under the Agreement (nor is the Guarantor liable under the Agreement for any extensions of credit outstanding or contracted for in favor of any other person), the Beneficiary shall, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment of the Guarantor.

5. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. or Canadian mail, as the case may be, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

**If to the Beneficiary:**

BP INTERNATIONAL LIMITED  
Chertsey Road  
Sunbury on Thames  
Middlesex, TW16 7BP  
Attn: Manager, Group Funding & Capital Markets

**If to the Guarantor:**

BP AMERICA INC.

4101 Winfield Road  
Warrenville, IL 60555  
Fax: 630/821-3396  
Attn: Corporate Secretary

**With Copy to:**

NORTH AMERICA FUNDING COMPANY  
4101 Winfield Road  
Warrenville, IL 60555  
Attn: Treasurer

6. **Demand and Payment.** Any demand by the Beneficiary for payment hereunder shall be in writing, reference this Guaranty, reference the Guaranteed Obligations, and be signed by a duly authorized officer of the Beneficiary and delivered to the Guarantor pursuant to Section 5 hereof. There are no other requirements of notice, presentment or demand. The Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within ten (10) Business Days of receipt of such demand, unless, within such ten (10) Business Day period, the default giving rise to such demand has been remedied.

7. **No Waiver; Remedies.** Except as to applicable statutes of limitation, no failure on the part of the Beneficiary to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive to any remedies provided by law.

8. **Term; Termination.** This Guaranty shall be and continue to be in full force and effect from the Effective Date (as defined immediately above the signature lines hereof) until (the earlier of) (i) March 21, 2012, or (ii) the date the Guaranteed Obligations with respect to all transactions under the Agreement have been fully and indefeasibly paid. Such termination shall not release Guarantor from liability for any Guaranteed Obligations arising prior to the effective date of such termination. If at any time any payment of any of the Guaranteed Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of NAFCO or otherwise, the Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had not been made.

9. **Assignment; Successors and Assigns.** Neither party may assign or delegate any of their respective rights or obligations hereunder without the prior written consent of the other party; provided, however, the Guarantor may, without the prior written consent of the Beneficiary, assign its rights under this Guaranty (i) to any assignee that is controlled by or under common control with the Guarantor; or (ii) to any assignee that acquires all or substantially all of the assets of the Guarantor. Any assignment that does not comply with the terms of this Paragraph 9 shall be deemed null

and void and of no force or effect. This Guaranty shall be binding upon and inure to the benefit of each party hereto and their respective successors and permitted assigns.

10. **Amendments, etc.** Subject to the Guarantor's right to terminate this Guaranty pursuant to Paragraph 8, no amendment or other modification of the terms of this Guaranty shall be effective unless in writing and signed by Guarantor and the Beneficiary and stating that it is expressly intended to give effect to the applicable amendment or modification hereto. No waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom shall in any event be effective unless such waiver shall refer to this Guaranty, be in writing and be signed by the Beneficiary. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

11. **Captions.** The captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions.

12. **Representations and Warranties.** The Guarantor represents and warrants as follows:

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power and authority to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

(c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor, enforceable against it by the Beneficiary in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditor's rights and to general equity principals.

All of the representations and warranties of the Guarantor contained herein (i) shall survive the execution and delivery of this Guaranty and also the making and satisfaction of each extension of credit constituting a Guaranteed Obligation, (ii) shall be deemed to be repeated on the occasion of each extension of credit constituting a Guaranteed Obligation as if made on and as of such occasion and (iii) shall continue to be effective whenever made or deemed to be made until all indebtedness owing under this Guaranty has been indefeasibly repaid in full, notwithstanding any investigation made at any time by or on behalf of the Beneficiary.

13. **Taxes.** All payments by the Guarantor shall be made free and clear of and without deduction for any and all present and future taxes, levies and withholdings including stamp and documentary taxes, other than taxes imposed on the net income of the Beneficiary (collectively "Taxes"). If the Guarantor is required by law to deduct any

Taxes from or in respect of any amount paid or payable hereunder, such amount shall be increased as necessary so that the Beneficiary receives an amount equal to the sum it would have received had no such deduction been made and the Guarantor shall pay same to the relevant taxing authority and give to the Beneficiary acceptable evidence of such payment. The Guarantor will indemnify the Beneficiary for any Taxes paid by the Beneficiary in respect of any amount paid or payable by the Guarantor hereunder. The provisions of this Section as they pertain to Taxes shall survive payment in full hereunder.

14. **Judgment Currency.** The obligation of the Guarantor hereunder to make payments in any currency of payment and account shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the Beneficiary of the full amount of such currency of payment and account so payable and accordingly the obligation of the Guarantor shall be enforceable as an alternative or additional cause of action for the purpose of recovery in the other currency of the amount (if any) by which such effective receipt shall fall short of the full amount of such currency of payment and account so payable and shall not be affected by any judgment being obtained for any other sums due hereunder.

15. **Severability.** Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

16. **Jurisdiction.** The Guarantor hereby irrevocably and unconditionally:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTY OR THE AGREEMENT, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY



REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO SUCH GUARANTOR AT THE ADDRESS REFERRED TO IN PARAGRAPH 5 HEREOF OR AT SUCH OTHER ADDRESS OF WHICH THE BENEFICIARY SHALL HAVE BEEN NOTIFIED PURSUANT THERETO;

(d) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION; AND

(e) WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

17. **GOVERNING LAW.** THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD OR REFERENCE TO THE CONFLICT OF LAWS PRINCIPLES OF ANY JURISDICTION.

**IN WITNESS WHEREOF**, the Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of this 18th day of March, 2009 ("Effective Date").

**BP AMERICA INC.**

By: Thomas C Taylor X

Name: \_\_\_\_\_

Title: \_\_\_\_\_