BP p.l.c.

Terms of reference

Nomination and governance committee

These terms of reference should be read in conjunction with the terms of reference applicable to all committees of the board of BP p.l.c.

Purpose

Lead the process for appointments to the board. Satisfy itself that plans are in place for an orderly succession to the board and bp leadership team and oversee the development of a diverse pipeline of succession.

Review developments in law, regulation and evolving practice relating to corporate governance.

Membership

The chair of the board, the senior independent director and such other non-executive directors as may be required. A majority of the committee should be independent directors.

Quorum

Two members.

Chair

The chair of the committee will be the chair of the board. Where the committee meets to discuss the chair's succession or performance, the senior independent director or their delegate will chair such meetings.

Meetings

As required.

Attendance by invitation.

Responsibilities

Succession

1. Keep the executive and non-executive leadership needs of the organization under review, with a view to ensuring the continued ability of the organization to deliver its purpose and strategy.
2. Oversee the development of a diverse pipeline for succession (across immediate, medium, and long-term time horizons), taking into account the challenges and opportunities facing bp, the strategic priorities and the skills and expertise needed on the board in the future.
3. Plan for the orderly succession to the board, particularly for the roles of chair, CEO and CFO, and the role of company secretary. Review succession plans and proposed appointments to the bp leadership team for endorsement by the board.
4. Periodically review membership of the committees of the board and make recommendations for any changes for approval by the board.
5. Evaluate the balance of skills, knowledge, experience, and diversity on the board. Before any appointment of a new director is made, prepare a description of the role and capabilities required and the expected time commitment.
6. Lead the process for board appointments and make recommendations to the board for the appointment, election and annual re-election of both executive and non-executive directors, as well as the appointment of the company secretary.
7. On appointment to the board, ensure non-executive directors receive a formal letter of appointment setting out what is expected of them in terms of time commitment, committee service and involvement outside board meetings.
8. Review and make recommendations to the board relating to the continuation in office of any director or the company secretary at any time, including the suspension or termination of service of an executive director or of the company secretary as an employee subject to the provisions of the law and their service contract.

Conflicts

9. Undertake due diligence in relation to the appointment of directors to the board, including conflicts of interest and their mitigation. Where appropriate, endorse recommendations to the board in relation to any appointment or other business interests that could represent a conflict of interest.
10. Where any director is considering accepting a significant new non-bp appointment or other commitment, undertake an assessment of the director's potential conflict of interest and their continuing ability to dedicate appropriate time to their role with bp. Make recommendations to the board on its findings.

11. Conduct a periodic review of the directors' conflicts procedures and annual review of the register of conflicts and recommend any changes or action to the board for its approval.

Governance

12. Review and develop the board's corporate governance framework and monitor its compliance with corporate governance standards and practices while ensuring that it remains appropriate to the size, complexity, and strategy of bp. Recommend to the board any revisions deemed necessary, taking into account any significant developments in the law and practice of corporate governance.
13. Determine, upon the recommendation of the company secretary and chair of the board, the process through which the annual performance review of the board and committees takes place, including whether or not this should be externally facilitated.
14. Conduct an annual review of the time commitment required from non-executive directors and assess whether the non-executive directors are able to dedicate appropriate time to fulfil their duties and whether they are doing so.
15. Conduct periodic reviews of the board's diversity, equity and inclusion policy and the effectiveness of its implementation.
16. Monitor any principal, emerging and other risks and/or material controls as it may determine fall within its scope, or as otherwise allocated by the board.

Reporting

17. Report to the board after each meeting on the nature and content of its discussion.
18. Make whatever recommendations to the board it deems appropriate on any area within its remit.
19. Produce a report to be included in the annual report describing the work of the committee.
20. Where an external search consultancy or board performance reviewer has been engaged, the committee will check that this has been identified in the annual report alongside a statement about any other connection it has with bp or individual directors.