BP p.l.c.

Terms of reference

People and remuneration 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

Determine a directors' remuneration policy and set chair, executive director, bp leadership team and, as appropriate, other executive remuneration.

Review workforce remuneration and monitor related policies, satisfying itself that incentives and rewards are aligned with bp's purpose, strategy, beliefs, behaviours[1] and culture.

Review workforce policies and practices and monitor their consistency with bp's purpose, strategy, beliefs and behaviours[1], in line with bp's culture framework.

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

As appointed by the board but should have at least one year of experience as a member of a remuneration committee. The committee chair may not be the chair of the board.

Meetings

As required.

Attendance by invitation.

The head of ethics and compliance shall attend meetings of the committee at least twice a year, or otherwise as deemed necessary, without members of management present.

[1] Beliefs and behaviours as described within bp's code of conduct and "who we are" statement, defining what we stand for at bp.

Responsibilities

People

1. Using appropriate measures, review workforce policies and practices, in particular those that have an impact on (i) talent and capability, (ii) diversity, equity and inclusion and (iii) engagement and culture (including employee wellbeing). Report to the board on their alignment with bp's strategy and purpose, beliefs, behaviours[1] and culture.
2. Monitor leadership development and talent management programmes, diversity and inclusion strategies, together with succession and continuity planning for the bpLT and senior executive officers. Periodically review the Company's leadership structure, including to ensure the development of a diverse talent pool with respect to executive succession planning having regard for equal opportunity, background and experience to support an inclusive culture.
3. Conduct periodic reviews of the board's diversity, equity and inclusion policy and the effectiveness of its implementation.
4. Conduct workforce engagement through both formal and informal channels. Review the output of this engagement and report back to the board the workforce views and priorities of the workforce.
5. Monitor bp's ethics and compliance programme, including receiving half year reports from the ethics and compliance officer, together with oversight of the management of ethics and compliance risks.
6. The head of ethics and compliance shall have direct access to the committee chair and the board chair, providing independence from management, and accountability to the committee.

Remuneration

7. Recommend to the board the remuneration principles for the executive directors. Determine and propose to the board a directors' remuneration policy for approval by shareholders (the 'Policy').
8. Set and approve the terms of appointment, fees and any benefits for the chair of the board in accordance with the Policy as applicable.
9. Set and approve the terms of appointment, remuneration, benefits and termination of employment of each executive director, member of the bp leadership team and the company secretary in accordance with the Policy as applicable.
10. Set and approve the terms of appointment, remuneration, benefits and termination of employment for the chief internal auditor (following recommendations from the chair of

the audit committee) and the head of ethics and compliance (following recommendations from the chair of the committee).

11. Chair of the committee to provide oversight for the remuneration of other individuals as agreed with management from time to time.
12. Have regard to workforce remuneration principles and related policies when setting the Policy. Receive regular implementation reports from management and review for alignment and proportionality. Monitor the alignment of incentives, remuneration and related policies with, and evaluate for their support of, bp's purpose, strategy, beliefs, behaviours[1], culture and long-term sustainable success.
13. Review the ongoing appropriateness and relevance of the Policy having regard to remuneration trends externally and employment conditions across bp.
14. Liaise with the board and other committees as necessary on the design and implementation of the Policy.
15. Review and satisfy itself that executive director, bp leadership team and other executive remuneration is aligned with bp's purpose, strategy, beliefs, behaviours[1] and culture while promoting long-term shareholding by executive directors, the bp leadership team and other executives.
16. Apply judgement and discretion (including override, where appropriate) when determining performance and remuneration outcomes, taking account of group and individual performance, and wider considerations.
17. Review and approve the committee's malus and clawback policy. Exercise the right to recover and/or withhold sums or share awards under the committee's malus and clawback policy.
18. Engage independent remuneration consultants and commission or purchase any reports, surveys or information which it deems necessary, at the expense of bp.
19. Review and satisfy itself that contractual terms on termination, and any payments made to executive directors, the bp leadership team and other executives are fair to the individual and the group, that failure is not rewarded and that the duty to mitigate loss is fully recognized.
20. Review and approve the principles and design of all share incentive plans that require shareholder approval.
21. Receive regular updates on workforce views and other engagement initiatives related to remuneration, using both existing processes and methods as determined by the board. Take workforce views into account, as appropriate, when making executive remuneration decisions and outcomes.

22. Receive insights and data on pay ratios, potential pay gaps and workforce remuneration and take these into account as appropriate when making executive remuneration decisions and outcomes.
23. Monitor any principal, emerging and other risks and/or material controls as it may determine which fall within its scope, or as otherwise allocated by the board.
24. Maintain effective engagement with shareholders on remuneration matters.

Reporting

25. Report to the board after each meeting on the nature and content of its discussion.
26. Make whatever recommendations to the board it deems appropriate on any area within its remit.
27. Submit for approval by the board a directors' annual remuneration report, which sets out a description of its work, remuneration practices and implementation of the Policy, for inclusion in the annual report and recommend its approval by shareholders at the annual general meeting.
28. Where consultants have been appointed, identify such consultants in the annual report alongside a statement about any other connection they have with bp for individual directors.
29. Review and satisfy itself that provisions regarding disclosure of information as set out in applicable laws and regulations are fulfilled.