



BP p.l.c

Terms of reference

People and governance committee

Purpose

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

Review workforce policies and practices and monitor their consistency with bp's purpose, strategy and values.

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-independent executives as may be required.

Quorum

Two members.

Chair

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

Meetings

At least four times a year.

Attendance by invitation.

Responsibilities

Succession and conflicts

1. 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. Plan for the orderly succession to the board and to the leadership team particularly for the key roles of chair, CEO and CFO.
2. 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.
3. Lead the process for appointments and make recommendations for appointment and reappointment of both executive and non-executive directors by the board.
4. Review any matters and make recommendations to the board relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee subject to the provisions of the law and their service contract.
5. Before any appointment is made by the board, evaluate the balance of skills, knowledge, experience and diversity on the board and use this to prepare a description of the role and capabilities required and the expected time commitment.
6. Undertake adequate due diligence in the appointment of directors to the board and, where appropriate, recommend any prior appointment or business interests that could result in a conflict of interest, for approval of the board.
7. Conduct an annual review of the directors' conflicts of interest policy and recommend any changes the committee deems appropriate for approval of the board.
8. Conduct an annual review of the directors' conflicts register and recommend any corrective action that may be applied for approval of the board.
9. On appointment to the board, check non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

Workforce

10. Using appropriate measures, review workforce policies and practices, in particular those that have an impact on (i) talent and capability, (ii) diversity and inclusion and (iii) engagement and culture (including employee wellbeing). Report to the board on their alignment with bp's strategy, purpose, values and culture.

11. Conduct workforce engagement measures through a range of formal and informal channels. Review and report back to the board the workforce view and priorities in order to strengthen the 'employee voice' in the boardroom.

Performance Reviews and 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 evaluation of the board and committees takes place, including whether or not this should be externally facilitated.

14. Review the results of the board performance evaluation. Make recommendations to the board about any changes.

15. Review the time required from non-executive directors annually and assess whether the non-executive directors are spending enough time to fulfil their duties.

16. Review the board's diversity policy and the effectiveness of its implementation.

17. Review such risks as it may determine fall within its scope from time to time consistent with its purpose.

Reporting

18. Report to the board after each meeting on the nature and content of its discussion, recommendations and action to be taken.

19. Make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

20. Produce a report to be included in the annual report describing the work of the committee.

21. Where an external search consultancy or board evaluator 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 the group, company or individual directors.