



## **WPP plc**

### **Nomination and Governance Committee**

#### **Terms of Reference**

Approved by the WPP plc Board on 9 December 2020.

The Board has established a Committee of the Board known as the Nominations & Corporate Governance Committee (the "Committee").

The Committee's purpose is to:

- Evaluate Board composition and ensure Board diversity and a balance of skills;
- Review Board and senior management succession plans (in conjunction with the Board where appropriate), to ensure their adequacy and effectiveness including to maintain a diverse pipeline, continuity of skilled resource and orderly succession;
- Oversee and monitor matters relating to corporate governance arrangements and standards.

#### **Membership**

1. The Committee shall consist of a minimum of 3 directors. A majority of the members of the Committee should be independent Non-Executive Directors. The members of the Committee shall be appointed by the Board in consultation with the Chair of the Committee.
2. The Chair of the Committee shall be appointed by the Board and must be either the Chairman of the Board or an independent Non-Executive Director. The Chairman of the Board shall not chair the committee when it is dealing with the appointment of a successor to the chairmanship of the board. In the absence of the Chair of the Committee, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
3. The Group Company Secretary or their nominee shall be the Secretary to the Committee.

#### **Attendance**

4. Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chief Executive Officer, the Group Chief Counsel, the Group Chief People Officer and external advisers may be invited to attend for all or part of any meeting, as and when appropriate

#### **Meetings and Quorum**

5. The Committee shall meet at least four times a year and otherwise as frequently as is required in the performance of its duties.
6. The timing and agenda of meetings is the responsibility of the Chair of the Committee.

7. Notice of each meeting confirming the date, venue and time, together with an agenda of items and relevant papers shall be forwarded to each member of the Committee and any other person required to attend, other than in special circumstances, at least three working days prior to the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
8. A quorum shall be two members, which must include at least one independent Non-Executive member.

### **Engagement with Shareholders**

9. The Chair of the Committee should attend the annual general meeting to answer any shareholder questions on the committee's activities. In addition the Chair of the Committee should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

### **Authority**

10. The Committee is authorised to undertake such work as is necessary to make recommendations for approval by the Board and is authorised to seek any information it requires from any employee or the Company in order to perform its duties.
11. The Committee is authorised to take outside professional advice, at the Company's expense, as it considers necessary for the fulfilment of its duties.

### **Duties**

#### ***Nominations***

12. Review the structure, size and composition of the Board (including the balance of skills, knowledge, experience and diversity) and the requirements for non-executive independence, making recommendations to the Board for any adjustments.
13. In conjunction with the Board, give full consideration to succession planning for Non-Executive Directors, Executive Directors and senior management, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the board in the future.
14. Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
15. Identify and nominate for approval by the Board candidates to fill Board vacancies as and when they arise.
16. Consider candidates from a wide range of backgrounds on the basis of merit and against objective criteria, having due regard to the benefits of diversity on the board and taking care that appointees have enough time available to devote to the position.
17. Before an appointment is made, the Committee should evaluate the balance of skills, knowledge, experience and diversity of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected.

18. Ensure that there is a satisfactory, formal process for the selection of Executive and Non-Executive directors using external search consultants as appropriate.
19. Ensure that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitments, committee service and involvement outside Board meetings.
20. Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
21. The Chair of the Committee shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.
22. Work and liaise as necessary with other Board committees, ensuring the interaction between committees and with the Board is reviewed regularly.
23. Supervision of the induction process for new Directors and the on-going training and development of all Board members.
24. The Committee shall make recommendations to the Board concerning:
  - a) Any changes needed to the succession planning process if its periodic assessment indicates the desired outcomes have not been achieved.
  - b) membership of the Audit, Sustainability and Compensation Committees and any other Board committee as appropriate, in consultation with the chair of those committees.
  - c) Suitable candidates as new directors and succession for existing directors.
  - d) The appointment of any director to executive or other office.
  - e) The re-appointment of Non-Executive Directors at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board in the light of knowledge, skills and experience required.
  - f) The re-election by shareholders of directors under the annual re-election provisions of the Code or the retirement by rotation provisions in the company's articles of association, having due regard to their performance and ability, and why their contribution is important to the company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual directors, the chair and the Board as a whole.
  - g) Any matters 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 of the company subject to the provisions of the law and their service contract.

## **Corporate Governance**

25. Review external governance developments likely to impact the operation of the Board and its Committees.
26. Oversee the effective governance of the Board and its Committees and make recommendations to the Board to ensure the Company's standards and arrangements are consistent with existing corporate governance standards and emerging best practice.

## **Conflicts of Interest**

27. Prior to the appointment of a Director, the Committee shall assess any actual or potential conflicts of interest and advise the Board accordingly should any conflicts be identified.
28. The Committee shall consider situational conflicts notified by individual directors to the CEO and Chairman and to raise such conflicts to the Board at the next meeting following notification and the proposed terms of any authorisation to be considered by the Board.

## **Health & Safety**

29. Review annually the Group's health and safety policy and arrangements, to ensure that key risks are being identified and that appropriate control measures are being implemented by management.

## **Reporting**

30. The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
31. The Committee's report on its activities, to be included in the Company's annual report, shall detail:
  - a) the process used in relation to appointments, the Committee's approach to succession planning and how both support developing a diverse pipeline;
  - b) how the Board evaluation has been conducted, the nature and extent of the external evaluator's contact with the Board and individual Directors, the outcomes and actions taken, and how it has or will influence Board composition;
  - c) the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives;
  - d) the gender balance of those in senior management and their direct reports; and
  - e) Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.

## **Operation of the Committee**

32. Consider any other matters referred to the Committee by the Board.
33. Review annually these terms of reference, requesting Board approval for any proposed

changes, and at appropriate intervals evaluate its own performance against these Terms and best practice. These Terms of Reference shall be made available on the Company's website.

34. Where there is a perceived overlap in the responsibilities between the Committee, and the Board or another Committee of the Board, the respective chairs shall have the discretion to agree the most appropriate meeting to fulfil any obligation. Any obligation under the terms of reference of any committee will be deemed by the Board to have been fulfilled, provided it is dealt with by any other committee.