

## Compensation Committee Terms of Reference [approved by the WPP plc Board on 10 June 2020]

### Purpose

- To determine and recommend to the Board for approval the Company's overall remuneration policy and strategy, considering the interests of share owners and the financial and commercial needs of the Company.
- To determine the remuneration policy for Executive Directors and set the remuneration for the Chairman, Executive Directors, Executive Committee and the Company Secretary.

### Membership and Procedures

- **Membership** – The Committee shall consist of a Chairman and not less than two independent non-executive directors (NEDs). All members shall be appointed by the Board on the recommendation of the Nomination Committee. Appointments to the Committee shall be for a period of 3-years but may be extended for further period so long as the director remains “independent” as defined by US and UK governance authorities. The Chairman of the Committee shall not be the Chairman of the Board and shall so far as practicable have served for at least 12 months on a Remuneration Committee.
- **Attendance** – The Committee may require the Company's Chairman, the Company's Chief Executive Officer, the Company's Chief People Officer and other senior executives to attend its meetings. No such attendee shall have the right to vote. At the discretion of the Chairman of the Committee, outside professional advisors may be in attendance for certain agenda items.
- **Quorum** – shall be two members.
- **Frequency** – The Committee shall meet at least three times a year and otherwise as frequently as is required. Notice of each meeting confirming the date, venue and time, together with an agenda of items and relevant papers to be discussed shall be forwarded to each member of the Committee sufficiently in advance of the meeting as to allow for review.
- **Secretary** – The Company Secretary or their nominee shall be the Secretary to the Committee. Minutes will be pre-circulated to the Chairman of the Committee by the Secretary to the Committee and will then be included in the next Committee papers.

## Scope of Authority

The Committee is authorised to:

- require the provision of any information and access to any management representatives, which require discharging its responsibilities;
- obtain outside legal assistance and any professional advice, at the Company's expense, as it considers necessary; and
- retain (or terminate) consulting firms to assist in the evaluation of executive compensation and the authority to approval any such firm's fees and other retention terms.

## Responsibilities and Objectives

The responsibilities of the Compensation Committee are as follows:

- To set, review and approve in respect of the Company's Chairman, Chief Executive Officer, other Executive Directors, the Executive Committee and the Company Secretary:
  - the remuneration policy;
  - individual remuneration arrangements;
  - individual benefits, including pension;
  - Individual fees and expenses;
  - terms and conditions of employment;
  - terms of any compensation package in the event of early termination of contract; and
  - participation in any cash or share based plans operated by the Company;
- To set the targets and measures for any performance related cash or share based plans operated by the Company for the Chief Executive Officer and other Executive Directors, and to have oversight of the performance measure and target setting for of such plans for the Executive Committee and the Company Secretary.
- To review remuneration and related policies across the general workforce and the alignment of incentives and rewards with culture, taking this into account when determining the remuneration policy for the Executive Directors.
- To use judgement to determine whether incentives that are due as a result of formulaic outcomes are truly representative of company and individual performance.
- To use discretion to make adjustments to incentives as appropriate.
- To oversee the process for recovery and withholding (malus and clawback) and determine the resulting action to be taken.

- The remuneration and contractual terms of the Non-Executive Directors (NEDs) will be set by the Company's Chairman and the Executive Directors.
- To approve new rules or amendments and the launch of any Company share or cash-based incentive plans and the grant, award, allocation or issue of shares or payments under such plan.
- To agree the policy for authorising claims for expenses from the Company's Chairman, Chief Executive Officer and Executive Directors;
- To establish the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants to advise the Committee.
- To consult with key shareowners in respect of new or substantial changes to the remuneration policy or existing elements of remuneration.
- To approve for submission to shareowners all new or substantial changes to existing elements of remuneration.
- Oversee the preparation of and recommend to the Board the approval of the annual report of the Committee in compliance with statutory disclosure requirements and all relevant Codes of Best Practice.

### **Reporting and Disclosure**

- The Committee shall regularly report to the Board on the matters discussed and the minutes of all meetings shall be received by the Board.
- The Committee's duties and activities during the year shall be disclosed in the annual report and the frequency and attendance record (by members) shall be reported.
- The Chairman of the Committee shall attend the Annual General Meeting (AGM) and be prepared to respond to any share owner questions on the Committee's activities or the Remuneration Report.