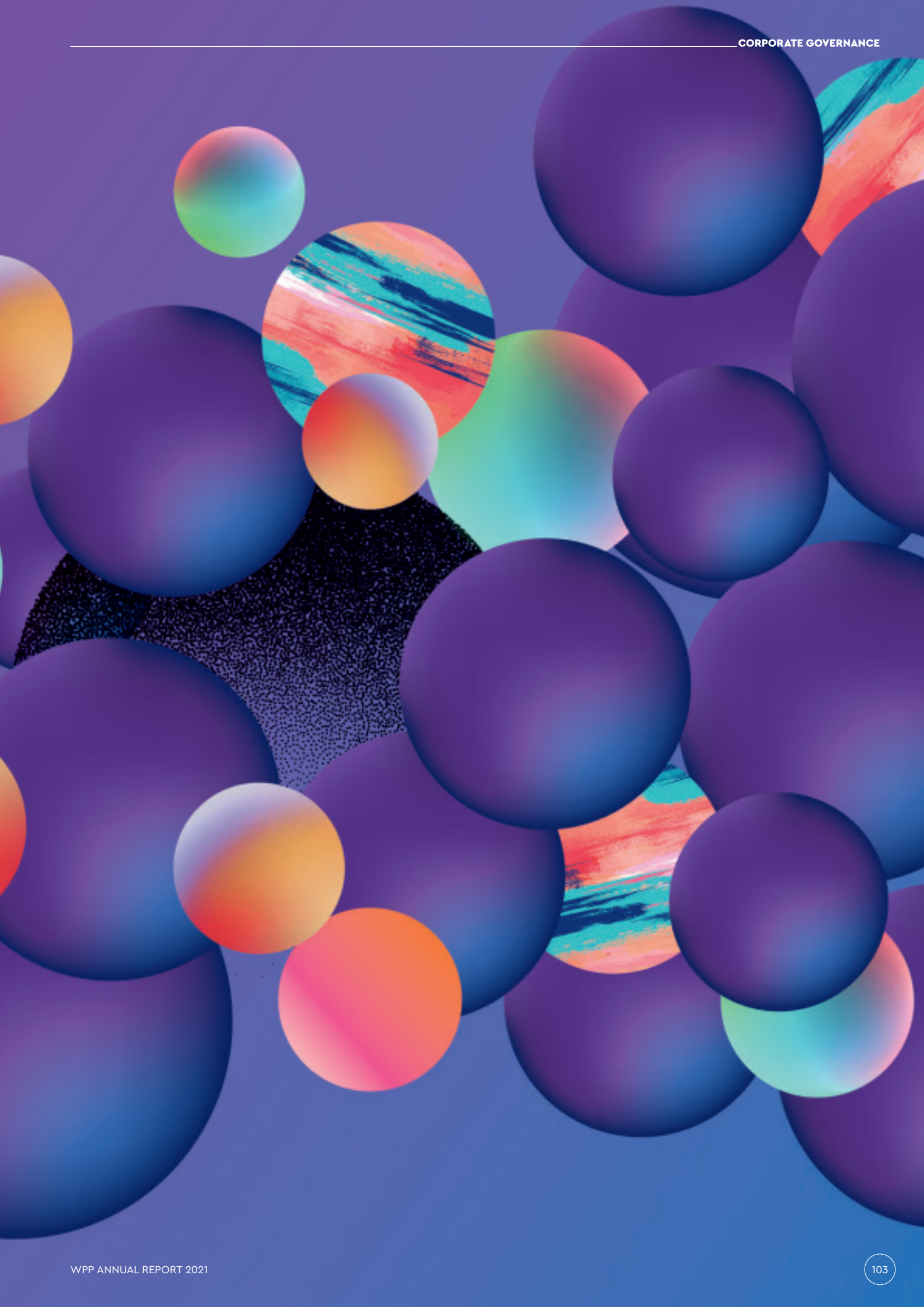


CORPORATE GOVERNANCE

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CHAIRMAN'S LETTER



THE PROGRESS WE HAVE MADE IN THE LAST THREE YEARS HAS BEEN RECOGNISED BY MANY OF OUR LARGEST CLIENTS, WHO HAVE RENEWED AND EXPANDED THEIR RELATIONSHIPS WITH WPP AND OUR AGENCIES."

Since the end of 2021, the world has once again changed in ways we could not have anticipated.

The 2021 Annual Report by definition relates primarily to events that took place before the invasion of Ukraine. However, I want to acknowledge the enormous impact this crisis has had on our people, above all our colleagues in Ukraine who are facing appalling circumstances with extraordinary resilience.

As Mark says at the beginning of this report, the response of our people has been truly inspiring – from the spontaneous offers of support from colleagues in countries neighbouring Ukraine to the generosity of employees worldwide in donating to our UNHCR appeal. You can read more about this and the Company's wider response on page 8.

2021

Against the backdrop of the ongoing pandemic, in 2021 WPP demonstrated both its enduring strengths and its capacity to innovate.

Our financial performance over the year reflects the talent and broad expertise of our people, the durability of our client relationships, the resilience of WPP's business model and the long-term sustainability of the Company.

It also reflects the success of the strategy first announced in December 2018, which has set a clear vision and purpose for the Company, modernised its offer to clients, reinvigorated its culture, simplified its structure and returned WPP to growth.

The progress we have made in the last three years has been recognised by many of our largest clients, who have renewed and expanded their relationships with WPP and our agencies. WPP's longstanding reputation as a leader in advertising has grown to encompass all the capabilities modern marketers need to succeed, from data and technology to ecommerce and experience.

The Company has also made good progress against the strategic priorities outlined at the 'Accelerating Growth' Capital Markets Day in December 2020. We remain on track to deliver on our medium-term financial targets, and our dividend policy continues to be to grow the dividend annually and to pay out approximately 40% of headline earnings per share.

A CONNECTED COMPANY

The scale and breadth of our client and partner relationships, our presence in more than 100 countries and our understanding of consumer behaviour globally mean that WPP is in the privileged position of being directly and uniquely connected to many of the trends, issues and organisations shaping our world.

For example, during the year the Board held a strategy event in Palo Alto with members of the executive team. This provided an opportunity for the Board not only to consider the strategy and to align around the vision and prospects of the Company over the next three to five years, but also to meet key WPP technology partners based on the West Coast and to see our partner strategy in action.

Engagement at the most senior levels with the world's leading technology companies provided great insight into the evolving ecosystem in areas such as marketing technology, digital media, cloud, AI and creative production and other fields that will heavily influence the future of our industry and create opportunities for growth. WPP is the principal partner to these companies in our industry, which creates significant advantages in terms of exclusive and early access to new products and services on behalf of our clients.

WPP is also close to many of the pressing issues that we face as a society, from climate change and DE&I (diversity, equity and inclusion) to privacy and data ethics. What we do as a business and the judgements we make have real impact.

The Board and the leadership team are firmly committed to the ESG agenda. In April 2021 WPP announced an industry-leading commitment to achieve net zero carbon emissions across our value chain by 2030, supported by science-based targets, and in June we hosted our first ever ESG investor event. As the world leader in the buying of advertising space and production of advertising content, WPP has the potential to make a tangible difference and I am pleased with our progress and leadership position in this area.

While we still have work to do, the Company also made progress in DE&I. At the beginning of 2022 WPP was named in the Bloomberg Gender-Equality Index for the fourth consecutive year and was acknowledged as one of the best places to work for LGBTQ+ equality in the Corporate Equality Index.

We were pleased to be ranked in the top 10 for gender representation among senior leaders and at board level in the FTSE Women Leaders Review, and to have exceeded the Parker Review target on ethnic diversity. As at 31 December 2021, women represented 43% of the Board and three Directors were from an ethnic minority background. Our ambition for Board gender diversity remains to reach parity.

Our Sustainability Report and our Chief Executive's statement in this Annual Report outline our progress in these areas in greater detail.

BOARD COMPOSITION AND EFFECTIVENESS

There are a number of planned Non-Executive Director departures over the course of this year and next. Jacques Aigrain, our Audit Committee Chair, and Sally Susman will retire from the Board at the 2022 Annual General Meeting having completed their nine-year tenure. Nicole Seligman, our Senior Independent Director, will not stand for re-election at the 2023 AGM. On behalf of the Board, and personally, I would like to take the opportunity to acknowledge and thank Jacques and Sally for their significant and invaluable contribution to WPP, and service to the Board.

To ensure the Board has the necessary skills, experience and diversity to effectively support and review the Company's long-term strategy, we have continued to focus on succession planning and proactively reviewed our non-executive membership.

In January 2022, we announced the appointment of Simon Dingemans as a Non-Executive Director of the Company and member of the Audit Committee. We are delighted to welcome Simon to WPP. His insight from a varied and distinguished career, combining both operational and financial experience, will be invaluable to the Board.

Today, we have a strong Board and executive team, with the expertise, diversity and experience required to support the transformation and success of WPP.

Alongside Board membership we have also continuously reviewed the governance architecture of the Board's Committees and made changes to their composition accordingly. The reports from the Committee Chairs can be found on the pages that follow.

And finally, as part of our ongoing assessment of Board effectiveness, Dr Tracy Long conducted an external Board evaluation exercise considering the performance of the Board and its Committees, the results of which are set out on page 120. I am pleased to report that the evaluation concluded that the Board and its Committees continue to operate effectively.

ENGAGING OUR STAKEHOLDERS

To remain relevant and grow sustainably, companies need to demonstrate their value to all stakeholders and be able to understand and respond to legitimate stakeholder concerns – while operating responsibly at all times.

One of the Board's fundamental duties is to appreciate the effect of the Company's activities on our different stakeholder groups and to take their interests and perspectives into account.

As we do every year, the Board received presentations from various leaders of WPP's agencies, which allows us to see and hear about their work first-hand, connects the Board to the operational level of the Company, and provides an opportunity to examine the strength of alignment across WPP.

The Board also continued to receive insights and feedback from the Company's employees through surveys and our designated workforce Non-Executive Director. Both channels are important in helping the Board to understand sentiment within the Company and highlighting areas we need to focus on to ensure we are meeting the needs of our people.

In addition, our Chief Executive Officer continued his internal communications programme which includes regular townhalls open to all employees. These sessions, which always incorporate a Q&A, attracted a total of approximately 44,000 attendees in 2021. CEO all-staff emails had more than a million unique opens during the year.

At our ESG event held in June investors and other key stakeholders heard about the Company's sustainability strategy and progress and had the chance to challenge and ask questions of the executive team. Investor engagement continued throughout the year as I, each of the Committee Chairs and the executive team met shareholders to discuss areas of strategic importance.

Finally, greater Board-level connectivity with our key clients was achieved through in-person or virtual engagements and through updates from our Global Client Leaders, including on WPP's client satisfaction scores.

MANAGING RISKS

To protect the interests of all our stakeholders, the Board identifies, monitors and analyses the risks facing the Company and the markets in which it operates on a continuous basis.

During the year the Board conducted a thorough assessment of WPP's principal risks and uncertainties, as well as strategic risk reviews focused on areas including cyber and information security and broader aspects of the Company's transformation programme.

Our risk governance framework is set out on page 88 of this report.

The Board also conducted deep-dives on a range of ESG matters in the year, from the mitigation of the Company's climate impacts to consideration of key policies.

OUR PEOPLE AND CULTURE

WPP's purpose – to build better futures for our people, planet, clients and communities – sustains the Company's culture. How we bring that culture to life and fulfil our purpose starts with our people. During yet another uncertain year, they once again demonstrated their resilience, talent and creativity.

As well as meeting the challenges posed by the pandemic and exceeding the expectations of our clients, they continued to address broader societal issues through their work and participation in Company initiatives.

To continue to attract, retain and develop talented people like this, we need to be a place that offers modern, flexible working environments, listens to its employees, enables career growth, invests in learning, allows all our people to participate in our success, and fosters an inclusive culture that celebrates diversity and difference.

Our people strategy is a primary area of focus in 2022 both for the Board and the executive team. The Company's employees are ultimately those who will build those better futures for all our stakeholders and, on behalf of the Board, I thank each and every one of them.



Roberto Quarta

Chairman

31 March 2022

GOVERNANCE AT A GLANCE

HIGHLIGHTS



COMPLIANCE WITH THE CODE

During the year ended 31 December 2021, the Company was compliant with the provisions and principles of good governance contained in the 2018 UK Corporate Governance Code (the 'Code'), with the exception of provision 38 of the Code, where there are ongoing plans to align the CEO's pension with the wider workforce. For more detail see page 143. The table below shows where shareholders can find further information on how the Company has complied with the Code. The Company's American Depositary Shares are listed on the New York Stock Exchange (NYSE) and is therefore subject to the rules of the NYSE as well as to the US securities laws and the rules of the Securities and Exchange Commission (SEC) applicable to foreign private issuers. As the Company follows UK corporate governance standards, differences from the NYSE governance standards are summarised in the Company's Form 20-F filing.

1. BOARD LEADERSHIP AND COMPANY PURPOSE

READ MORE

- Long-term value and sustainability
- Culture
- Shareholder and other stakeholder engagement
- Conflicts of interest

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2. DIVISION OF RESPONSIBILITIES

- Role of the Chairman and Chief Executive Officer
- Non-Executive Directors

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3. COMPOSITION, SUCCESSION AND EVALUATION

- Appointment and succession planning
- Skills and experience
- Evaluation
- Diversity

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4. AUDIT, RISK AND INTERNAL CONTROL

- Integrity of financial statements
- Fair, balanced and understandable
- Internal controls and risk management
- External auditor
- Principal and emerging risks

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5. REMUNERATION

- Policies and practices
- Alignment with purpose, values and long-term strategy
- Independent judgement and discretion

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Pages 133-154

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OUR BOARD



ROBERTO QUARTA
CHAIRMAN

Appointed: 1 January 2015 (Chairman 9 June 2015) **C N**
Nationality: Italian and American

Skills and experience:

Roberto has extensive and diverse experience in corporate governance and global commerce having served on the boards of a number of UK and international companies. His career in private equity brings valuable experience to WPP, particularly when evaluating acquisitions and new business opportunities.

He is Chairman of Smith & Nephew plc, a Partner of Clayton, Dubilier & Rice and Chairman of Clayton, Dubilier & Rice Europe. Previously he was Chief Executive and then Chairman of BBA Group plc, Chairman of Rexel SA, Chairman of IMI plc and a Non-Executive Director at BAE Systems plc, Equant NV, Foster Wheeler AG and PowerGen plc.

External appointments:

Chairman, Smith & Nephew; Partner, Clayton, Dubilier & Rice; Chairman, Clayton, Dubilier & Rice Europe.



MARK READ
CHIEF EXECUTIVE OFFICER

Appointed: 3 September 2018 **Nationality:** British

Skills and experience:

Mark has a deep understanding of the industry having held multiple leadership positions at WPP since he joined in 1989. As Head of Strategy and then CEO of WPP Digital he was responsible for WPP's first moves into technology. In 2015, he became Global CEO of Wunderman, which he transformed into one of the world's leading creative, data and technology agencies. Earlier in his career, he co-founded internet start-up WebRewards and specialised in media and marketing as a principal at consultancy Booz Allen Hamilton. Mark was voted the industry's Most Influential Person of 2019 in Econsultancy's Top 100 Digital Agencies report and in 2021 he was recognised as a HERoes Champion of Women in Business for the fourth consecutive year.

Mark has an MBA from INSEAD and an Economics degree from Trinity College, University of Cambridge, and was a Henry Fellow at Harvard University.

External appointments:

Chairman of the Natural History Museum Digital Council.



JOHN ROGERS
CHIEF FINANCIAL OFFICER

Appointed: 3 February 2020, Chief Financial Officer from 1 May 2020
Nationality: British

Skills and experience:

John has extensive finance, strategy, digital, property and retail experience. He joined WPP from J Sainsbury plc where he was Chief Executive Officer of Sainsbury's Argos. John was previously the Chief Financial Officer of J Sainsbury plc, responsible for business strategy, new business development, Sainsbury's Online and Sainsbury's Bank, in addition to its core finance functions.

John is a member of The Prince's Advisory Council for Accounting for Sustainability. He also sits on the Retail Sector Council, which acts as a point of liaison between the UK Government and retail sector. John is also an Independent Non-Executive Director of Grab Holdings Limited, a technology company listed on NASDAQ.

External appointments:

Member, The Prince's Advisory Council for Accounting for Sustainability; Member, Retail Sector Council; Independent Non-Executive Director, Grab Holdings Limited.

INDEPENDENT NON-EXECUTIVE DIRECTOR



NICOLE SELIGMAN
SENIOR INDEPENDENT DIRECTOR,
NON-EXECUTIVE DIRECTOR

Appointed: 1 January 2014 **C N** **Nationality:** American

Skills and experience:

Nicole is a global business leader and an internationally recognised lawyer. She brings to the Board analytical skills, in-depth knowledge of public company corporate governance and a comprehensive understanding of media and business issues. Nicole was previously President of Sony Entertainment, Inc. and global General Counsel for Sony Corporation. Prior to that, as a partner at law firm Williams & Connolly, Nicole represented key public figures and major media and other companies in complex litigation.

She is a Magna Cum Laude graduate of both Harvard College and Harvard Law School.

External appointments:

Non-Executive Director, ViacomCBS Inc.; Non-Executive Director, MeiraGTx Holdings plc; Non-Executive Director, Far Peak Acquisition Corporation.

COMMITTEE MEMBERSHIP KEY

- A** Audit
- C** Compensation
- N** Nomination and Governance
- S** Sustainability
- Committee Chair

NON-EXECUTIVE DIRECTOR TENURE AS AT 31 DECEMBER 2021



- 0-3 years 7
- 3-6 years 1
- 6-9 years 4
- 9+ years 0

GENDER AS AT 31 DECEMBER 2021



- Male 8
- Female 6

INDEPENDENT NON-EXECUTIVE DIRECTORS



ANGELA AHRENDTS DBE
NON-EXECUTIVE DIRECTOR

Appointed: 1 July 2020 **S N** **Nationality:** British and American

Skills and experience:

Angela brings expertise as a leader of creative and technology-driven global businesses. From 2014 until 2019, she was Senior Vice President, Retail at Apple, Inc., where she integrated and redesigned the physical and digital global consumer experience. Angela was CEO of Burberry from 2006 to 2014, where she repositioned the brand as a luxury high-growth company and created the Burberry Foundation. Prior to Burberry, Angela was Executive Vice President at Liz Claiborne, Inc. and President of Donna Karan International, Inc. Angela was a member of the UK Prime Minister's Business Advisory Council from 2010 to 2015.

External appointments:

Non-Executive Director, Ralph Lauren Corporation and Airbnb, Inc.; Chair of Save the Children International; Non-Executive Director, Charity: Water and The HOW Institute for Society; member of the Global Leadership Council of the Oxford University Said Business School and BritishAmerican Business International Advisory Board.



JACQUES AIGRAIN
NON-EXECUTIVE DIRECTOR

Appointed: 13 May 2013 **A C** **Nationality:** Swiss and French

Skills and experience:

Jacques has extensive business, corporate finance and governance expertise. He was a Senior Advisor at Warburg Pincus LLP from 2001 to 2009. Jacques was a member of the Executive Committee of Swiss Re AG and CEO from 2006. Prior to Swiss Re, he spent 20 years with JPMorgan Chase. Jacques was previously Chairman of LCH Clearnet Group Ltd from 2010, a Director of the Qatar Financial Centre Authority and a Supervisory Board Member of Lufthansa AG and Swiss International Airlines AG.

He holds a PhD in Economics from Sorbonne University and an MA in Economics from Paris Dauphine University.

External appointments:

Chairman, LyondellBasell NV; Non-Executive Director, London Stock Exchange Group plc; Non-Executive Director, Clearwater Analytics; Chairman, Singular SAU; Chairman, ACUTRONIC Holding AG.



SANDRINE DUFOUR
NON-EXECUTIVE DIRECTOR

Appointed: 3 February 2020 **A C** **Nationality:** French

Skills and experience:

Sandrine brings substantial financial expertise gained in global companies and strong strategic capability to the Board. She has executive leadership experience in the telecommunications, entertainment and media industries and an enthusiasm for cultural, technological and business transformation. Sandrine is currently Chief Financial Officer of UCB, a global pharmaceutical company. Previously she was CFO of Proximus. She held a number of leadership roles at Vivendi, in France and in the United States, across its entertainment and telecommunications business.

Sandrine began her career as a financial analyst at BNP and then Credit Agricole in the telecoms sector. She has held other non-executive director roles, most recently at Solocal Group.

External appointments:

Chief Financial Officer, UCB.

¹ Sandrine will succeed Jacques as Audit Committee Chair on 1 April 2022.



TAREK FARAHAT
NON-EXECUTIVE DIRECTOR

Appointed: 11 October 2016 **A** **Nationality:** Brazilian and Egyptian

Skills and experience:

Tarek has extensive leadership and brand-building experience gained in leading businesses in the Americas, Europe, Middle East and Africa. He worked for Procter & Gamble for over 26 years, his last position as President of Procter & Gamble Latin America and member of the Global Leadership Council. Tarek was previously Chairman of the board of JBS S.A. and a board member of Pilgrim's Pride Corporation and Alpargatas. Tarek is currently a strategic advisor, consultant and partner for companies in the consumer goods, Fintech and healthcare sectors.

Tarek is a graduate of the American University in Cairo, Faculty of Commerce and Finance.

External appointments:

Chairman and Co-Founder, GoPublic and Ponto-e.



TOM ILUBE CBE
NON-EXECUTIVE DIRECTOR

Appointed: 5 October 2020 **A C N** **Nationality:** British

Skills and experience:

Tom brings a wealth of expertise as a technology entrepreneur. He is Chair of the Rugby Football Union (RFU) and CEO of Crossword Cybersecurity plc. From 2010 to 2014, Tom was Managing Director of Consumer Markets at Callcredit Information Group. Prior to Callcredit, Tom founded and was CEO of Garlik, a venture capital-backed identity protection company. His 30-year career in the UK technology sector includes roles at Egg Banking plc, PricewaterhouseCoopers, Goldman Sachs and the London Stock Exchange.

He was made a Doctor of Science (Honoris Causa) by City, University of London, an Honorary Doctor of Technology by the University of Wolverhampton, and an Honorary Fellow of Jesus College, Oxford and St Anne's College. In 2017 Tom topped the *Powerlist* ranking of the most influential people of African or African Caribbean heritage in the UK.

External appointments:

Founder and CEO, Crossword Cybersecurity plc; Chair, Iternal Limited; Founder and Chair, African Gifted Foundation; Chair, the Rugby Football Union (RFU).



CINDY ROSE OBE
NON-EXECUTIVE DIRECTOR

Appointed: 1 April 2019 **A C** **Nationality:** British and American

Skills and experience:

Cindy has extensive experience as a leader in the technology and media sectors and a deep understanding of the role of technology in business transformation. She was appointed President of Microsoft Western Europe in October 2020, prior to which she was Microsoft UK CEO from 2016. She previously held roles as Managing Director of the UK consumer division at Vodafone and as Executive Director of Digital Entertainment at Virgin Media. She also spent 15 years at The Walt Disney Company, ultimately as Senior Vice President and Managing Director of Disney Interactive Media Group.

Cindy is a graduate of Columbia University and New York Law School.

External appointments:

President, Microsoft Western Europe; Member of the advisory board of Imperial College Business School in London; Member of the advisory board of McLaren.

INDEPENDENT NON-EXECUTIVE DIRECTORS



SALLY SUSMAN
NON-EXECUTIVE DIRECTOR

Appointed: 13 May 2013 **N S** **Nationality:** American

Skills and experience:

Sally brings expertise in communications, public affairs, governance and strategy. She is Executive Vice President, Chief Corporate Affairs Officer for Pfizer and also heads Pfizer's corporate responsibility group. Before joining Pfizer in 2007, Sally was Executive Vice President of Global Communications at Estée Lauder, where she directed global corporate affairs strategy and served as a member of the Executive Committee. She previously held several senior corporate affairs posts at American Express, in both London and the United States. She started her career in government service where positions included Deputy Assistant Secretary for Legislative and Intergovernmental Affairs in the U.S. Department of Commerce.

Sally has a BA in Government from Connecticut College and has studied at the London School of Economics.

External appointments:

Executive Vice President, Chief Corporate Affairs Officer, Pfizer; Co-Chair, International Rescue Committee.



KEITH WEED CBE
NON-EXECUTIVE DIRECTOR

Appointed: 1 November 2019 **S** **Nationality:** British

Skills and experience:

Keith has a wealth of experience as a marketing and digital leader and an understanding of the ways in which technology is transforming businesses. From 2010 to 2019, Keith was Chief Marketing and Communications Officer at Unilever, a role that included creating and leading Unilever's sustainability programme. Keith was named the World's Most Influential Chief Marketing Officer by *Forbes* in 2017, 2018 and 2019, and Global Marketer of the Year 2017 by the World Federation of Advertisers.

He received *The Drum's* Lifetime Achievement Award in 2018 and was inducted into the Marketing Hall of Fame in 2019. Keith is a Non-Executive Director of J Sainsbury plc.

External appointments:

Non-Executive Director, J Sainsbury plc; Trustee Director of Business in the Community; Board Trustee, Grange Park Opera; President of the Royal Horticultural Society; Board Trustee, Leverhulme Trust.



JASMINE WHITBREAD
NON-EXECUTIVE DIRECTOR

Appointed: 1 September 2019 **S C** **Nationality:** British and Swiss

Skills and experience:

Jasmine's experience spans marketing, technology, finance, media, telecommunications and not-for-profit organisations, and she brings this breadth of perspective and, knowledge of many of WPP's client sectors.

Jasmine began her career in marketing in the technology sector, including with Thomson Financial in the US. After completing the Stanford Executive Program, Jasmine went on to hold leadership roles with Oxfam and Save the Children, starting in 1999 in West Africa and, from 2010 to 2015, as the first Chief Executive of Save the Children International.

Jasmine was a Non-Executive Director of BT Group plc from 2011 to 2019 and Chief Executive Officer of London First from 2016 until March 2021.

External appointments:

Chair of the Board, Travis Perkins plc; Non-Executive Director, Standard Chartered plc; Non-Executive Director, Compagnie Financière Richemont SA; Visiting Fellow, Oxford University.



DR. YA-QIN ZHANG
NON-EXECUTIVE DIRECTOR

Appointed: 1 January 2021 **S** **Nationality:** American

Skills and experience:

Ya-Qin is a world-renowned technologist, scientist and entrepreneur with a particular understanding of the changing consumer technology landscape in China. He was President of Baidu Inc., the global internet services and AI company headquartered in Beijing, between 2014 and 2019. Prior to joining Baidu, he held several positions during his 16-year tenure at Microsoft, both in the United States and China, including Corporate Vice President and Chairman of Microsoft China. Ya-Qin is currently a Non-Executive Director of Fortescue Metals Group, AsiaInfo Technologies Limited and ChinaSoft International Limited. He is also Chair Professor of AI Science at Tsinghua University and the founding Dean of the Institute for AI Industry Research at the same university.

External appointments:

Non-Executive Director of Fortescue Metals Group, AsiaInfo Technologies Limited and ChinaSoft International Limited; Chair Professor of AI Science at Tsinghua University and the founding Dean of the Institute for AI Industry Research at the same university; Fellow, American Academy of Arts and Sciences.



BALBIR KELLY-BISLA
COMPANY SECRETARY

Appointed: 27 April 2020

Skills and experience:

Balbir has significant governance experience across various roles in listed companies, most recently as Company Secretary of William Hill plc. Prior to joining William Hill, Balbir was Director of Investor Relations at GlaxoSmithKline plc (GSK), leading on engagement with ESG-focused investors, and before that held company secretarial roles at GSK, Lastminute.com, Royal & Sun Alliance and Segro plc.

DIRECTOR APPOINTMENT SINCE YEAR-END



SIMON DINGEMANS
NON-EXECUTIVE DIRECTOR

Appointed: 31 January 2022 **A** **Nationality:** British

Skills and experience:

Simon has extensive business, capital markets, corporate finance and governance experience and is currently a Senior Advisor at global investment firm, The Carlyle Group.

Prior to joining Carlyle, Simon was Chief Financial Officer of GlaxoSmithKline plc and a member of the main board from 2011 to 2019. Prior to GSK, Simon worked in investment banking for 25 years at SG Warburg and then Goldman Sachs, where he was Managing Director and Partner for ten years as a leader of their European M&A business and Head of UK Investment Banking. Simon served as Non-Executive Chair of the Financial Reporting Council in 2019/2020 and previously also served as Chairman of the 100 Group. Simon has a master's degree in Geography from Oxford University.

OUR EXECUTIVE COMMITTEE

The Executive Committee of WPP is responsible for leading the Company and executing its strategy. Its members lead WPP's largest operating companies and central corporate functions.



MARK READ
CHIEF EXECUTIVE OFFICER

Biography can be found on page 108.



JOHN ROGERS
CHIEF FINANCIAL OFFICER

Biography can be found on page 108.



AJAZ AHMED
CHIEF EXECUTIVE OFFICER, AKQA GROUP

Ajaz is the CEO of AKQA Group. Recognised as a creative pioneer, AKQA has won three Grands Prix in the last two years at Cannes Lions and over 60 Agency of the Year titles.



JON COOK
GLOBAL CHIEF EXECUTIVE OFFICER, VMLY&R

Jon has led VMLY&R since its formation in 2018 as WPP's global brand and customer experience agency. He was formerly Global CEO of VML, which he joined in 1996.



ANNAMARIA DESALVA
CHAIRMAN AND CEO, HILL+KNOWLTON STRATEGIES

Annamaria re-joined Hill+Knowlton as CEO in 2019, having previously served as Worldwide Director of Healthcare from 2006 to 2009. Annamaria led global corporate affairs for DuPont and served as Senior Advisor to DowDuPont's CEO, following senior roles at Pfizer and Bristol-Myers Squibb.



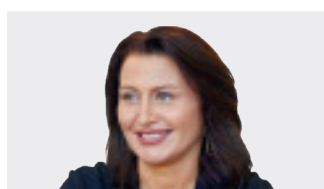
MEL EDWARDS
GLOBAL CHIEF EXECUTIVE OFFICER, WUNDERMAN THOMPSON

Mel was appointed as CEO of the newly formed Wunderman Thompson in 2018, having previously been the Global CEO of Wunderman. She joined Wunderman as UK CEO in 2012.



LAURENT EZEKIEL
CHIEF MARKETING & GROWTH OFFICER

Laurent became WPP's first Chief Marketing & Growth Officer in 2019. He joined from Publicis where he was President of Digitas, North America, and International and Client Leader for GSK.



JANE GERAGHTY
GLOBAL CHIEF EXECUTIVE OFFICER, LANDOR & FITCH

Jane was appointed Landor & Fitch's Global CEO in 2017, having previously been President of EMEA. She has held senior positions at Naked Communications, ITV, Ogilvy New York, McCann-Erickson and Saatchi & Saatchi.



RICHARD GLASSON
GLOBAL CHIEF EXECUTIVE OFFICER, HOGARTH

Richard was appointed CEO of Hogarth Worldwide in 2016, having joined the company in 2011. Prior to this he was CEO of Gyro, the B2B marketing specialist.



ANDREA HARRIS
GROUP CHIEF COUNSEL

Andrea was appointed as Group Chief Counsel in 2005 having joined WPP in 1996. Andrea is Chair of the Risk Committee and a member of the Executive Committee's Sustainability Committee.



MICHAEL HOUSTON
GLOBAL CHIEF EXECUTIVE OFFICER,
GREY

Grey is among the industry's most awarded creative agencies. Michael became CEO of Grey Group in 2017, after roles including Global President and CEO of Grey North America.



DONNA IMPERATO
GLOBAL CHIEF EXECUTIVE OFFICER,
BCW

Donna became CEO of BCW, one of the world's largest global public relations and public affairs agencies, renowned for its creative and integrated communications excellence, in 2018. Before leading BCW, Donna was Global CEO of Cohn & Wolfe for 15 years.



CHRISTIAN JUHL
GLOBAL CHIEF EXECUTIVE OFFICER,
GROUPM

GroupM is the world's largest media investment group and home to WPP's media agencies. Formerly Global CEO of Essence, Christian was appointed CEO of GroupM in 2019.



NICK LAWSON
GLOBAL CHIEF EXECUTIVE OFFICER,
MEDIACOM

Appointed: January 2022

Nick was appointed Global CEO of MediaCom in 2020, having worked at the agency for 30 years. He joined as a Planning Assistant in 1991 and has held leadership positions since 2006 as UK CEO, EMEA CEO and Worldwide COO.



ANDY MAIN
WORLDWIDE CHIEF EXECUTIVE
OFFICER, OGILVY

Prior to joining Ogilvy in 2020, Andy led Deloitte Digital and scaled it into a multi-billion-dollar global business. Andy is an entrepreneur who helped reshape the industry by making the first move by consultancies into creative services.



LINDSAY PATTISON
CHIEF CLIENT OFFICER

Lindsay became Chief Client Officer of WPP in 2018. Prior roles include Chief Transformation Officer of WPP and Global CEO of Maxus, which she joined as UK CEO in 2009.



STEPHAN PRETORIUS
CHIEF TECHNOLOGY OFFICER

Stephan was appointed as WPP's first CTO in 2018. Before that he was UK Group CEO and Global CTO of Wunderman, having joined the agency in 2016.



ROB REILLY
GLOBAL CHIEF CREATIVE OFFICER

Rob was previously Global Creative Chairman of McCann Worldgroup, which was named Network of the Year by Cannes Lions and The Effies during his tenure. Before McCann he was Partner and Worldwide Chief Creative Officer at CP+B, helping it to win Ad Age's Agency of the Decade.



JENNIFER REMLING
GLOBAL CHIEF PEOPLE OFFICER

Jennifer was appointed Global Chief People Officer in October 2021, joining from GroupM where she held the same role. Jennifer has worked in senior positions across the industry, including at Essence, R/GA, AKQA, 360i and Sapient.



ANDREW SCOTT
CHIEF OPERATING OFFICER

Andrew joined WPP in 1999 as Director of Corporate Development. He held a number of other senior roles including Chief Operating Officer for Europe before being appointed COO in 2018.

HOW OUR BOARD ENGAGES

OUR APPROACH TO ENGAGEMENT

The success of our business is dependent upon our ability to understand and respond to the needs of the various stakeholders connected with WPP. When making decisions, our Board and its Committees consider which course of action best leads to the success of the Company over the long term, which requires an understanding of how our decisions impact these stakeholder groups.

Through open and transparent dialogue with our key stakeholders, we aim to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. Decisions of the Board are taken after receiving reports from management on issues concerning our key stakeholders and after discussing the potential impact of decisions on them, reflecting what are referred to as Section 172 factors. As a Jersey

incorporated company, WPP is not subject to UK legislation. However, as a matter of good governance and in order to comply with the provisions of the 2018 UK Corporate Governance Code, the Board considers the matters described in Section 172 of the Companies Act 2006 in its decision making.



Illustrations of how Section 172 factors have been applied by the Board can be found throughout the Strategic Report.



OUR ENGAGEMENT DURING 2021

Page 20 within the Strategic Report sets out our most important stakeholders and how, as a Company, we engage with these stakeholders on an operational level. The following table summarises how the Board engages with each of these stakeholder groups.

STAKEHOLDER GROUP	DIRECT BOARD ENGAGEMENT	INDIRECT BOARD ENGAGEMENT	IMPACT OF ENGAGEMENT
 SHAREHOLDERS Our shareholders provide capital to invest in the business and support the valuation and liquidity of WPP shares. Shareholders benefit from the Board acting in the best interests of the Company and investing for long-term value generation.	<p>The Chief Executive Officer and the Chief Financial Officer hosted four quarterly results presentations and took questions from investors and analysts.</p> <p>In 2021 we held our first investor event focused on our Environmental, Social and Governance strategy where WPP's shareholders heard from the Chief Executive Officer, Chief Financial Officer and other senior management about the progress made across the four pillars of our purpose statement, and were able to share their views directly through the interactive webinar.</p> <p>The Chairman, Chairs of the Board Committees and Executive Directors met regularly with institutional investors to discuss the business and to respond to any concerns.</p> <p>The 2021 AGM was live streamed via a webcast hosted by the Chairman and Chief Executive, where shareholders were able to watch the presentations and ask questions in advance and during the meeting.</p>	<p>Feedback to the Board on investor views, particularly from the Chairman, Chair of the Compensation Committee, Chief Executive Officer and Chief Financial Officer.</p> <p>Monthly reports to the Board detailing investor relations activities, key themes of interest from investors and share register composition and movements.</p> <p>Analyst and broker briefings and reports of meetings with major shareholders.</p>	<p>In 2021, the Board met its goal to recommence the share buyback scheme, after a pause due to the economic impact of the pandemic, and over £1 billion in cash was returned to shareholders through dividends and share buybacks (2020: £412 million).</p> <p>Performance metrics have been changed based on feedback from shareholders over the years and we have evolved remuneration structures to align more directly with our strategy, sustainability targets and shareholder interests.</p> <p>In response to feedback, a series of webinars were introduced by the Chief Financial Officer and hosted by divisional management in 2021, designed to give investors and analysts deeper insight into individual agencies, products and services within WPP and offering the opportunity to submit questions.</p>
 GOVERNMENTS AND REGULATORS Governments receive the tax contributions we make to public finances, enabling them to invest in public services. Governments and regulators determine the policy frameworks that affect us and our stakeholders.	<p>As a listed global company, engagement with listing authorities and financial regulators.</p> <p>The Chief Executive Officer met regularly with government representatives and regulators around the world, including through attendance at COP26 in Glasgow during November 2021.</p> <p>Responded to government consultations, such as the Parker Review.</p> <p>Approved WPP's Modern Slavery Act Statement.</p>	<p>Reports to the Board and its Committees on regulatory changes from the Group Chief Counsel, Global Corporate Affairs Director and Group Company Secretary.</p> <p>Received reports from the Chief Privacy Officer and Global Data Protection Officer on changing regulatory landscapes with regards to data protection, security and privacy as well as data ethics and artificial intelligence.</p>	<p>In 2021 we contributed £1.4 billion in taxes to public finances.</p>

OUR ENGAGEMENT DURING 2021 CONTINUED

STAKEHOLDER GROUP	DIRECT BOARD ENGAGEMENT	INDIRECT BOARD ENGAGEMENT	IMPACT OF ENGAGEMENT
 CLIENTS AND SUPPLIERS <p>Our clients come from businesses across every sector. The work we do for clients provides our revenue and helps them to grow their businesses, build relationships with their customers and ready themselves for future success.</p> <p>Our suppliers range from small businesses to the world's largest technology partners. They provide us with the products and services we need to meet our clients' needs.</p>	<p>Engaged with clients on issues including strategy, changes taking place in our market and understanding the changes taking place in our clients' and suppliers' markets.</p> <p>Through our Chief Executive Officer, engaged with suppliers in joint product development, skills development and joint go-to-market programmes.</p> <p>The Chief Executive Officer hosted internal 'fireside chats' with the CEOs of several clients.</p> <p>Board engagement with key partners, including site meetings in the US with strategic technology partners.</p>	<p>Received updates on WPP's client satisfaction scores.</p> <p>Received reports from operating companies, which included updates on how they supported and engaged with clients during the Covid-19 pandemic.</p> <p>Received deep-dive updates at each Board meeting from Global Client Leaders on key clients.</p> <p>Received updates on the supplier onboarding processes, including workforce diversity and carbon reduction metrics.</p>	<p>We made strong strategic progress through new mergers and acquisitions, to provide new capabilities to scale across the Company, and structural and organisational changes which simplify WPP and improve the way we go to market, serve clients and work with suppliers. For more detail see page 118.</p>
 PEOPLE <p>We depend on the talent, creativity and technology skills of our people. And we want our employees to embrace our purpose, culture and values. In return, our people receive salaries, pension contributions, employee benefits, career development and training.</p>	<p>Cindy Rose, our Workforce Engagement Non-Executive Director, attended meetings of the Workforce Advisory Panel (WAP), in addition to the US and India People Forums and updated the Board on matters discussed.</p> <p>The Chief Executive Officer hosted 17 townhalls and various leadership events, which gave him the chance to speak to people directly and to hear from attendees in return.</p> <p>The Board engaged with senior managers at the Board Strategy Day and wider WPP management at the September 2021 Leadership Event.</p>	<p>Formal reports to the Board from the Chief Executive Officer and Chief People Officer included:</p> <ul style="list-style-type: none"> - in-depth reviews of the people strategy, people risk and workforce engagement - Health & Safety updates with a particular focus on mental health and wellbeing - return to work initiatives in addition to the ongoing impact of the Covid-19 pandemic on our people and actions being taken to support them - progress on DE&I initiatives - results of various employee engagement surveys undertaken through the year and actions taken to address employee feedback <p>WPP's Global Inclusion Council met throughout the year to deliver on our diversity, equity and inclusion commitments.</p> <p>Reports at each Audit Committee meeting were received on issues raised via Right to Speak channels.</p>	<p>With the challenges of the pandemic and other issues around the world impacting mental wellbeing, we launched our Mental Health Allies programme, providing mental health training to 500 leaders, HR professionals and employees across the UK and US. We will expand into more regions in 2022.</p> <p>To align management with employees and shareholders, senior executives are being held to account on ESG metrics. DE&I goals were included in incentive plans for senior executives for the first time in 2021, and carbon reduction and single-use plastic targets were also included in incentive plans for executive directors for the first time in 2021.</p> <p>In response to our first global people survey, with more than 43,000 participants, the Board approved a people strategy based on career growth, investment in learning, and fostering the best possible culture.</p>

STAKEHOLDER GROUP	DIRECT BOARD ENGAGEMENT	INDIRECT BOARD ENGAGEMENT	IMPACT OF ENGAGEMENT
 PLANET We are committed to responsible and sustainable business practices. We take steps to optimise our own environmental impact, but recognise that our greatest contribution to the planet is through our work with clients, which can shift attitudes and change behaviours to build a sustainable future and a more inclusive society.	<p>The Board undertook deep dives on a range of environmental, social and governance (ESG) topics, including the development of industry-leading net zero carbon reduction commitments.</p> <p>The Board and Sustainability Committee reviewed climate-related risks and opportunities as part of their review and approval of WPP's Task Force on Climate-related Financial Disclosures statement on page 214, in addition to including climate-related risks as an emerging risk for the first time. For more detail see page 99.</p> <p>In November 2021, WPP executives attended COP26 in Glasgow, participating in discussions with the United Nations and NGOs on the climate crisis.</p>	<p>Reports to the Sustainability Committee included updates on the development of a Company-wide sustainability strategy and industry-leading net zero carbon reduction commitments; setting science-based carbon reduction targets; progress on WPP's single-use plastics commitment, including adjusted commitment timescales; performance against sustainability KPIs including renewable energy, carbon reduction and waste management; and stakeholder engagement and feedback.</p>	<p>The Company developed new and industry-leading commitments to reach net zero carbon emissions across its own operations by 2025 and across its value chain by 2030, including emissions from media investment. In June 2021 this ambition was underpinned by science-based targets, verified by the Science Based Targets initiative. For more detail see page 76.</p> <p>Following investor interest, in November 2021 we amended and supplemented our \$2.5 billion revolving credit facility, linking its margin to specific sustainability measures.</p> <p>The ongoing Covid-19 pandemic affected the Company's ability to meet its commitment to phase out single-use plastics across its offices and this will be a priority for the Sustainability Committee to address in 2022.</p>
 COMMUNITIES We can help boost the impact of charities and non-governmental organisations by providing marketing and creative services, often on a pro bono basis, enabling them to raise awareness and funds, recruit members, and achieve campaign objectives. We believe, and so do many of our stakeholders, that acting responsibly is both the right thing to do and in our long-term interests.	<p>The Board received updates on the 2020 commitment to spend \$30 million over three years to fund inclusion programmes within WPP and support external organisations. To read more about how we are investing in our communities, please see page 81.</p>	<p>The Sustainability Committee oversaw the work on the sustainability strategy and the progress made on embedding Group-wide sustainability targets tied to the WPP purpose statement.</p> <p>Reports to the Sustainability Committee included updates on partnerships with the United Nations, including the World Health Organization and UNFCCC, to provide our skills in creativity, communications, data and technology to help effect positive change for society.</p> <p>Updates received from the business on elements of the Group's operations which impact the wider community, including the Group's tax strategy.</p>	<p>In partnership with the WHO Foundation, we commenced the pro bono \$5 Vaccine campaign to support access to Covid-19 vaccines in low-income countries.</p> <p>As part of our racial equity commitments made in 2020, in 2021 we allocated \$9.3 million in inclusion programmes as part of WPP's commitment to invest \$30 million over three years.</p>

 Denotes information subject to limited assurance by PricewaterhouseCoopers LLP ('PwC').

DIVISION OF RESPONSIBILITIES

The WPP Board is committed to ensuring there is a strong and effective system of corporate governance in place to support the successful execution of the Company's strategy.

GOVERNANCE MODEL

THE BOARD

- Responsible for the overall long-term success of WPP and for setting the Company's purpose, values and culture and strategic direction
- Oversees the implementation of appropriate risk assessment processes to identify and mitigate WPP's principal risks and consider emerging risks
- Responsible for corporate governance
- Oversees the execution of the strategy and responsible for the overall financial performance of the Company

The Matters Reserved for the Board are available on our website, [wpp.com](https://www.wpp.com)

CHAIRMAN

- Responsible for Board governance principles, including setting the Board agenda and ensuring the Board receives timely and accurate information
- Ensures all Directors are enabled to play their full part in Board activities
- Represents the Board in discussions with shareholders and other stakeholders

CHIEF EXECUTIVE OFFICER

- Responsible for the day-to-day leadership of the Company, representing the Company to clients, suppliers, governments and employees
- Develops the strategic direction for consideration by the Board
- Sets the tone at the top with regard to culture and values
- Ensures there are effective processes for engaging with and listening to employees and other stakeholders

NON-EXECUTIVE DIRECTORS

- Bring an external perspective to support and challenge the performance of management
- Assist in developing the Company's strategy and offer specialist advice to management based on their particular skills and experience

SENIOR INDEPENDENT DIRECTOR

- Provides a sounding board for the Chairman and acts as an intermediary for the other Directors
- Meets with the Non-Executive Directors (without the Chairman present) when necessary and at least once a year to appraise the Chairman's performance and communicates the results to the Chairman

COMPANY SECRETARY

- Ensures the Board operates in accordance with the corporate governance framework and that there are good information flows between the Board and Committees
- Advises the Board on matters of corporate governance
- Supports the Board's development through organising training and induction programmes
- Supports the Board and Committee Chairs with annual agenda planning



BOARD COMMITTEES

NOMINATION AND GOVERNANCE COMMITTEE

- Reviews the size, skills, diversity, experience and composition of the Board
- Leads the process for Director appointments in conjunction with the Board and Director and senior management succession planning
- Oversees general governance matters, including the ongoing suitability of the governance framework

i Read more on page 122

AUDIT COMMITTEE

- Monitors the integrity of the financial statements
- Provides oversight of internal controls and risk management
- Manages the relationship with the external auditor, including making recommendations to the Board and shareholders in relation to the appointment and re-appointment of the external auditor

i Read more on page 125

COMPENSATION COMMITTEE

- Sets, reviews and recommends the policy on remuneration of the Chairman, executives and senior management team
- Recommends and monitors the implementation of the Company's overall remuneration policy and strategy
- Reviews the remuneration and related policies across the general workforce and the alignment of incentives and rewards with culture

i Read more on page 133

SUSTAINABILITY COMMITTEE

- Supports the Board in its oversight of corporate responsibility, sustainability and reputational matters
- Reviews and monitors implementation of the Company's sustainability strategy
- Reviews policy statements on environmental and social matters

i Read more on page 131



EXECUTIVE COMMITTEES

EXECUTIVE COMMITTEE

Assists the Chief Executive Officer in discharging his responsibilities and is collectively responsible for implementing strategy, ensuring consistent execution and embedding the Company's culture and values.

DISCLOSURE COMMITTEE

An executive Disclosure Committee responsible for overseeing the accuracy and timeliness of Group disclosures and reviewing controls and procedures in relation to the public disclosure of financial information.

RISK COMMITTEE

An executive Risk Committee, which assists the Board and Audit Committee in discharging their responsibilities by reviewing, monitoring and advising on the design and implementation of WPP's compliance framework, compliance policies and procedures and risks that present themselves throughout WPP.

BOARD ACTIVITIES

The key areas of focus considered by the Board during 2021 are set out below.

The Board is responsible for setting the Company's purpose, values and culture, in addition to overseeing the Company's overall financial performance and execution of the strategy. The Board recognises the importance of considering the perspectives of, and the potential impact on, the Company's key stakeholders in its discussions. Its responsibilities are discharged through an annual programme of meetings, each of which follows a tailored agenda. A typical Board meeting will comprise reports on operational and financial performance including on the transformation programme, progress on strategy, people updates and a deep-dive into a particular ESG topic.

MATTERS CONSIDERED

PERFORMANCE



- Received regular updates on the Group's financial performance including to assess ongoing impact of the Covid-19 pandemic
- Reviewed the Company's financial results, earnings guidance, investor materials and related announcements
- Considered performance against the 2020-2021 budget and agreed on the 2021-2022 budget
- Confirmation of the viability statement and going concern assessment
- Monitored progress of the transformation programme

STRATEGY & PURPOSE



- Board strategy meeting to consider the end-to-end strategy and to align around the vision and future prospects of the Company over the next three to five years, with a strong focus on technology partners, digital transformation and ecommerce
- First investor day held to discuss the Company's ESG strategy
- Received presentations from the agencies on their work to support WPP's strategy
- M&A activities, including the buy-in of WPP AUNZ minorities and acquisition of Satalia and NN4M in UK and DTI Digital in Brazil, in addition to Kantar's acquisition of Numerator and the merger of Finsbury Glover Hering with SVC
- Simplification activities, including the launch of global data company Choreograph and the opening of new WPP campuses in Milan and Prague

PEOPLE & CULTURE



- Considered how the people strategy would enable the overall business strategy and foster the best possible culture
- Prioritised return to work initiatives, the impact of the ongoing Covid-19 pandemic on our people and actions being taken to support them
- Received regular updates from the Chief People Officer on talent, succession planning and employee engagement, with a particular focus on driving greater diversity and inclusion supported by data and insights
- Received regular updates from the designated NED on the Workforce Advisory Panel and other People Forums
- Regularly discussed progress against the set of commitments and actions announced to advance racial equity
- Incorporated diversity and sustainability metrics into the compensation schemes for senior leaders for the first time
- Industry-leading commitment made to net zero carbon emissions across entire supply chain by 2030, as well as announcing new commitments to reduce carbon emissions from our own operations to net zero by 2025

GOVERNANCE & COMPLIANCE



- Received reports from Board Committees and the external auditor
- Reviewed and approved the 2020 Annual Report, Form 20-F and Sustainability Report
- Reviewed the 2021 Modern Slavery Act Statement and approved it for publication on the Company website
- Reviewed Annual General Meeting arrangements to consider the impact of Covid-19 and approved the 2021 Notice of Annual General Meeting
- Undertook and considered the output of an externally facilitated evaluation of the Board's effectiveness, the effectiveness of each committee and individual directors. For more details see page 120
- Continued focus on the Board's composition, diversity and succession plans, resulting in the appointment of a new Non-Executive Director and Board Committee membership changes
- Reviewed the risk management and internal controls across the Group, including in-depth reviews of internal controls over financial reporting, with a focus on remediation of material weaknesses. For more details see page 127
- Carried out a robust assessment of the principal risks and uncertainties affecting the Group and the markets we operate in and strategic risk reviews, including cyber and information security.

COMPOSITION, SUCCESSION AND EVALUATION

BOARD ATTENDANCE TABLE: 2021

	Board	Audit Committee	Compensation Committee	Nomination and Governance Committee	Sustainability Committee
Total number of scheduled meetings	6	9	5	4	4
Members	Attended	Attended	Attended	Attended	Attended
Roberto Quarta	6		5	4	
Mark Read	6				
John Rogers	6				
Angela Ahrendts	6				4
Jacques Aigrain	6	9	5		
Sandrine Dufour	6	9	5		
Tarek Farahat	6	9			
Tom Ilube	6	9	5	4	
Cindy Rose	6	9	5		
Nicole Seligman	6		5	4	
Sally Susman	6			4	4
Keith Weed	6				4
Jasmine Whitbread	6		5		4
Dr. Ya-Qin Zhang – appointed on 1 January 2021	6				
Number of ad hoc meetings	7	1	5	0	1

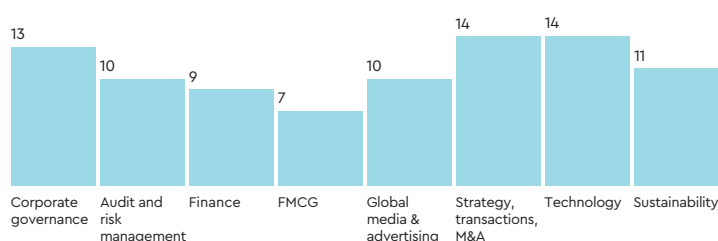
BOARD COMPOSITION

As at the date of this report, our Board comprised 12 independent Non-Executive Directors, the Chairman and two Executive Directors. The aim is to ensure the balance of the Board reflects the needs of the Company, is culturally diverse and is able to consider matters from a broad perspective, understanding the views of all our stakeholders. Each individual Board member brings a wide range of skills and experience from different business backgrounds to Board deliberations. Further details, including the external appointments held by Board members and their Committee membership, can be found on pages 108-110. Further detail on the responsibilities of the Chairman and members of the Board can be found on pages 116-117.

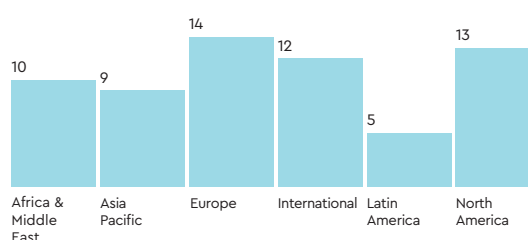
The chart opposite details those skills and experience of our Board which are identified as being particularly important to the execution of the Company's strategy.

OUR BOARD – A DIVERSE MIX OF SKILLS, EXPERIENCE AND KNOWLEDGE

SKILLS



GEOGRAPHICAL EXPERIENCE



DIVERSITY

WPP believes that diversity and difference power creativity. We foster an inclusive culture across WPP: one that is equitable and respectful of diverse thoughts and individual expression; and the same principle applies to the composition of our Board. The Board has a diverse range of experience by way of expertise, business sector background and length of tenure on the Board. Our Non-Executive Directors demonstrate expertise from a range of industries including tech, marketing, financial services, FMCG and pharma, representative of our customer base. The chart on page 119 illustrates the range of skills across the Board, with the new appointments in 2021-2022 bringing additional expertise in technology, M&A and corporate governance.

The Board's Diversity Policy, which is available on our website, wpp.com, reinforces the Board's ongoing commitment to all aspects of diversity and supports the principles of the FTSE Women Leaders and Parker reviews on gender and ethnic diversity. As at 31 December 2021, we met both diversity targets as women represented 43% of the Board (46% as at 31 December 2020) and three Directors are from an ethnic minority background. We were pleased to be ranked in the top 10 for gender representation among senior leaders and at board level in the FTSE Women Leaders Review. As at the date of reporting, the percentage of women on our Board is 40% following the appointment of Simon Dingemans, however, our ambition for Board gender diversity remains to reach parity.

Diversity, equity and inclusion is also integrated across workforce policy and the Board is provided with regular updates covering a range of metrics and measures, including trends around gender and ethnic diversity. WPP was named in the 2022 Bloomberg Gender-Equality Index for the fourth consecutive year. For more information on gender diversity in executive leadership roles see page 53.

RE-ELECTION OF DIRECTORS

The Chairman, Senior Independent Director and Non-Executive Directors are appointed for a three-year term, subject to annual re-election by the shareholders at the AGM. With only specific exceptions to ensure Board continuity, Non-Executive Directors shall not stand for re-election after they have served for the period of their independence, as determined by applicable UK and United States standards, which is nine years.

Jacques Aigrain and Sally Susman will not stand for re-election at the AGM in 2022. With the exception of Simon Dingemans, who is standing for election for the first time, all other Directors will stand for re-election at the AGM with the support of the Board. The Non-Executive Directors' letters of appointment are available for inspection at the Company's registered office.

INDUCTION PROGRAMME

To ensure that they are able to effectively contribute to discussion and decision-making, all Directors participate in an induction programme on joining the Board. Each induction programme is tailored to the individual Director, based on their personal experience and background, including matters specific to their role as a member of the committees upon which they sit.

Each induction programme includes meetings with members of the Executive Committee, senior management and external advisors including the external auditor and the Company's corporate brokers. New Directors will also receive a Board induction pack, which is devised to assist with building an understanding of the Company and to

introduce the Company's key stakeholders, as well as explain the commercial and regulatory environment in which the Company operates. More detail is set out in the table below.

INDEMNIFICATION OF DIRECTORS

Liability insurance and third-party indemnity provisions are in force for the benefit of directors and officers who held office during the year and up to the approval of the Annual Report.

BOARD EVALUATION

Each year, WPP completes a review of the Board and its Committees to monitor their effectiveness and identify improvement opportunities. Progress against the outcomes of the 2020 evaluation conducted by Nicole Seligman, Senior Independent Director, are set out in the table shown overleaf.

2021 BOARD EVALUATION

In accordance with the Code requirements, it is the Board's policy to undertake an externally facilitated evaluation every three years. The 2021 evaluation was externally facilitated by Dr Long of Boardroom Review Limited who has no other connection with the Company. During the course of the review, Dr Long attended Board and Committee meetings as an observer and held one-on-one discussions with each Director, the Group Company Secretary, Group Chief Counsel and Chief Operating Officer. Discussions were based around a number of themes, including the Board's leadership and contribution, the work of the Board (with a focus on strategy, ESG, risk and control, people and wider stakeholder engagement), and the use of time and information.

TYPICAL AREAS OF FOCUS FOR INDUCTION PROGRAMMES INCLUDE

MEETINGS

Meetings with Board members and members of the Executive Committee, including WPP's operating company leaders and country managers in key markets

STAKEHOLDERS

Stakeholder perceptions and key issues raised by, for example, investors, regulators and industry groups are explained by our investor relations and sustainability teams, as well as the Company's external advisors

BRIEFINGS

Briefing sessions on the financial structure and organisation, key financial metrics, principal risks and the Company's internal control framework, provided by the Chief Financial Officer, the Group Chief Counsel and the Group's external auditor

CORPORATE GOVERNANCE

The Group Company Secretary provides advice on corporate governance matters, including duties and responsibilities as a director of a listed company. Training and development requirements are typically identified as part of the induction

The output of the 2021 review was that the Board is operating effectively, with strong leadership and support for the quality of the relationships among the Chairman, the Senior Independent Director, Non-Executive Directors and the Executive Directors. Good progress was also acknowledged to have been made to further enhance the skills and experience on the Board and Committees, to align with the strategy and governance requirements. The Board continues to be positively engaged with the strategic process and transformation programme.

Key areas of focus in 2022 will be:

- **Strategy and performance:** create further engagement opportunities with stakeholders to receive insights and enhance visibility of the emerging and evolving landscape. Ensure there is continued and dedicated focus on the transformation programme including performance of the component parts.
- **Succession planning:** to continue to strengthen leadership, talent, diversity and succession for key senior management positions, and consider future Board and committee composition.

- **Risk/risk appetite:** further align approach to risk appetite across the organisation to support the longer-term strategy and inform key decisions. Monitor cyber risk and resilience across the organisation.
- **Meeting agendas:** improve the use of time balance between presentation and discussion at meetings to create more time for debate.

CHAIRMAN'S PERFORMANCE REVIEW

The Senior Independent Director met with the Non-Executive Directors during the year to appraise the performance of the Chairman.

BOARD TRAINING AND DEVELOPMENT

To assist the Board in undertaking its responsibilities, ongoing training is provided to all Directors and training needs are assessed as part of the induction programme and Board evaluation process. In 2021, the Board programme included regular presentations from the management teams of our businesses on developments in our sector and our operating environment, particularly focused on digital transformation and trends, sustainability and ESG, and key emerging risks.

At the Board strategy meeting in October, members of the senior management team together with the Board, had an opportunity to review WPP's strategy for growth, operating model and data and technology approach.

The Group Chief Counsel and the Group Company Secretary provide regular updates on current legal and governance matters relevant to WPP, with external counsel providing briefings on the wider landscape. The Board activities schedule on page 118 sets out further detail on topics covered during the year.

The Board is asked to complete a programme of training covering How We Behave, Business Integrity, Safer Data and Sustainability which are connected to the ethical and business objectives set out in our Code of Conduct. As part of our ongoing commitment to create more open and inclusive workplaces, the Board is also asked to complete a dedicated Company-wide inclusion module – Belonging at WPP.

All Directors have access to the advice and services of the Group Chief Counsel and the Group Company Secretary. The Board also obtains advice from professional advisors, as and when required, and Directors may, as required, obtain external advice at the expense of the Company.

TIME COMMITMENT

In addition to attending Board and Committee meetings, each of the Non-Executive Directors devotes sufficient time to the Company to ensure that their responsibilities are met effectively. When making new appointments, the Board takes into account other demands on Directors' time. Prior to appointment, significant commitments are disclosed by Directors to the Board. Any additional external appointments are not undertaken by any of the Directors without prior approval from the Board.

KEY RECOMMENDATIONS FOR 2021

SUSTAINABILITY AND ESG

Build further on WPP's sustainability strategy and commitment to ESG matters, with ongoing dialogue with stakeholders

STRATEGY

Maintain momentum on the execution of the strategy, monitor effectiveness and keep stakeholders informed of progress

RISK FRAMEWORK

Continue to focus on the effectiveness of the Company's approach to risk management and system of internal controls, as well as monitoring future risks and challenges across businesses and markets

ORGANISATION OF MEETINGS

Consider organisation of meetings post Covid-19 to create opportunities again and time for discussion and renewed exposure to senior management and key stakeholders

WHAT WE HAVE DONE IN 2021

The Board approved the sustainability strategy and WPP held its first investor day on ESG issues to discuss the strategy and how WPP is helping clients grow inclusively and sustainably

Regular updates on progress against the strategy and transformation programme were provided by the CEO and CFO, including deep dives on component parts

The Board continued its focus on risk management and reviewing the effectiveness of the Company's approach and systems, including providing oversight on the design and build of a new risk analytics platform and the assessment of and reporting on emerging and principal risks

Board strategy event was held in October in Palo Alto, hosting senior management, key clients and tech partners and other stakeholders, as well as informal gatherings with senior leaders throughout the year

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Committee members

- Roberto Quarta (Chair)
- Nicole Seligman
- Sally Susman
- Tom Ilube CBE (appointed 1 January 2021)
- Angela Ahrendts DBE (appointed 15 March 2022)

The Company Secretary is Secretary to the Committee and attends all meetings.

Key responsibilities:

- Reviewing the composition of the Board including the balance of skills, knowledge and expertise, experience and diversity
- In conjunction with the Board, considering succession planning for Non-Executive Directors, Executive Directors and senior management
- Making recommendations to the Board for the appointment or reappointment of Directors
- Considering other significant commitments of prospective directors and reviewing the external commitments of Directors
- Monitoring external governance developments and bringing any issues to the attention of the Board

Attendance at Committee meetings during the year can be found on page 119.



ROBERTO QUARTA
CHAIR OF THE NOMINATION AND GOVERNANCE COMMITTEE

DEAR SHAREHOLDER

As Chair of the Nomination and Governance Committee, I am pleased to present the Committee's 2021 report.

During the year, the Committee focused on near to medium-term succession planning, particularly relating to the planned departures of long serving directors, Jacques Aigrain, our Audit Committee Chair and Sally Susman, at the 2022 AGM, and Nicole Seligman, our Senior Independent Director at the 2023 AGM. Each would have completed or be approaching their nine-year tenure on the Board, at the time of departure. I am delighted that Sandrine Dufour will succeed Jacques Aigrain as Audit Committee Chair, effective from 1 April 2022.

The Committee, with the assistance of Russell Reynolds, led the search process for a new NED candidate based on agreed criteria, and I am delighted that following a formal selection process, Simon Dingemans joined the Company as a Non-Executive Director on 31 January 2022 and became a member of the Audit Committee upon appointment. More detail on the Non-Executive Director appointment process is set out in the table to the left. Simon brings a wealth of financial and capital markets expertise and proven listed company experience and we are delighted to have him on the Board.

As noted in last year's report, the Board was further enhanced during the year with the appointment of Dr. Zhang who joined as a Non-Executive Director in January 2021.

These appointments support the Committee's priority to diversify the Board, build further confidence in the leadership of the Company and bring different perspectives to discussions, reflective of our stakeholders and the markets in which we operate.

The Committee also considered the findings of the 2021 Board evaluation which was conducted by Dr Tracy Long, and I am pleased that the review concluded that the Committee and the Board are operating effectively.

Lastly, the Committee continued to review action taken to comply with the Code and other legal, governance and regulatory obligations during the year.

I should like to thank the other Committee members for their dedication throughout the year and the sections that follow provide more detail on the work undertaken by the Committee during the year.

Roberto Quarta
Chair of the Nomination and Governance Committee
31 March 2022

NON-EXECUTIVE DIRECTOR APPOINTMENT PROCESS

STEP 1

Engage with search consultancy and provide them with a search specification

STEP 2

Shortlisting candidates by Committee

STEP 3

Interview process with Committee members and Chief Executive Officer

STEP 4

Recommendation to the Board on the chosen candidate

STEP 5

Appointment terms drafted and agreed with the selected candidate prior to announcement

BOARD AND COMMITTEE CHANGES

As mentioned, two of our long-standing Non-Executive Directors, Jacques Aigrain and Sally Susman will not be standing for re-election at the AGM in 2022, and Simon Dingemans was appointed on 31 January 2022.

We made a number of changes to Board Committee membership in early 2021, as disclosed in last year's report and, in addition, Sally Susman stepped down as Co-Chair of the Sustainability Committee in June 2021, while remaining a member of that Committee. Sandrine Dufour will take over from Jacques Aigrain as Chair of the Audit Committee with effect from 1 April 2022 and Simon Dingemans became a member of the Audit Committee upon joining the Board. Angela Ahrendts was appointed to the Nomination and Governance Committee, and Dr. Ya-Qin Zhang was appointed to the Sustainability Committee, with effect from 15 March 2022.

SUCCESSION PLANNING

Board succession planning, from the perspective of addressing distinct experiential gaps, diversity and governance requirements, following the planned departures at the 2022 and 2023 AGMs, formed a key area of focus this year.

The Committee, having considered the criteria, relevant skills, experience and expertise needed on the Board, with the assistance of Russell Reynolds, who are independent of the Company and all the Directors, led the search for a new Non-Executive Director with financial expertise as well as M&A and UK governance and regulatory experience in large UK listed companies. The Committee considered a list of potential candidates and took into account the balance of skills, knowledge, independence, diversity and experience of the Board, together with an assessment of the time commitment expected. The preferred candidate met with the Chair and other members of the Committee and Board, following which the Committee recommended to the Board the appointment of Simon Dingemans.

Simon Dingemans will stand for election at the AGM. All other Directors, with the exception of Jacques Aigrain and Sally Susman, will stand for re-election.

The Committee has commenced a search process to identify a successor for the Senior Independent Director so that an appointment can be made in good time with a smooth transition, taking into account the significance of the role.

The Committee will continue to review and refresh the composition and size of the Board and its Committees to ensure we have the right balance of skills and attributes and fresh perspectives, to support the next stage of the Company's growth and long-term strategy. The Committee recommended that given the current size of the Board, future appointments should be made on a needs basis.

The Committee supported the Board on succession plans for management and Executive Committee members to ensure a diverse pipeline of potential successors to support the transformation programme.

ASSESSMENT OF INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Committee assessed the independence of all the Non-Executive Directors pursuant to the Code and concluded that all are considered independent and continue to make independent contributions and effectively challenge management. The Committee was satisfied with the contributions and time commitment of all the Non-Executive Directors during the year.

As disclosed in last year's report, effective 31 March 2021, Jasmine Whitbread was appointed a director and Chair of Travis Perkins plc, a company which John Rogers was also a Non-Executive Director of, at the time. John Rogers stepped down as a Non-Executive Director of Travis Perkins plc, effective October 2021 and therefore the cross-directorship no longer exists. The Board determined that the cross directorship did not affect its assessment of Jasmine's independence as she consistently demonstrated (and continues to demonstrate) independence of thought and challenge.

CONFLICTS OF INTEREST

The Committee and the Board are satisfied that the external commitments of the Non-Executive Directors and of me, your Chairman, do not conflict with our duties and commitments as Directors of the Company, and that each Non-Executive Director is able to dedicate sufficient time to the Company's affairs.

Directors have a duty to avoid a situation in which they have, or may have a direct or indirect interest that conflicts, or might conflict with the interests of the Company. This duty is in addition to the existing duty owed to the Company to disclose to the Board any interest in a transaction or arrangement under consideration by the Company. Our Directors must: report any changes to their commitments to the Committee; immediately notify the Company of actual or potential conflicts or a change in circumstances relating to an existing authorisation; and complete an annual conflicts questionnaire. Any conflicts or potential conflicts identified are considered and, as appropriate, authorised by the Board in accordance with the Company's Articles of Association. A register of authorised conflicts is also reviewed periodically.

During the financial year, no actual or potential conflicts were identified.

BOARD EVALUATION

The Committee considered the findings of the 2021 Board evaluation.

The performance of the Committee was considered as part of the 2021 Board evaluation process, which concluded that the Committee is operating effectively and continues to successfully plan for and ensure Board composition is aligned to strategy and governance requirements, and reflects greater diversity and an enhanced mix of skills and expertise. Further details on the process and output of the Board evaluation are set out on page 120.

GOVERNANCE

The Committee has responsibility for overseeing the effective governance of the Board and its Committees and for making recommendations to the Board to ensure arrangements are consistent with emerging best practice.

The Committee also reviewed the composition and make-up of the Board Committees as detailed above.

Templates and guidance for Board and Committee presentations were further enhanced in order to support the Board and Committees' consideration of employee and other stakeholder views when making decisions.

WORKFORCE ENGAGEMENT

In order to apply the requirements of the UK Corporate Governance Code that relate to workforce engagement, WPP established a UK Workforce Advisory Panel (WAP) in 2019 with Cindy Rose continuing to fulfil the position of designated Non-Executive Director. During the year, similar People Forums were established in the United States and India to enable further engagement with the Company's global employee base.

Cindy regularly attends the WAP meetings and where possible, the United States and India People Forums, and presents updates on issues discussed at Board meetings as

well as engages and hears from our people on a broad range of topics. The views and insights from the various forums are shared directly with the Board, and the Board's feedback and how the insights have informed decision making is presented back. During 2021, Keith Weed, Chair of the Sustainability Committee, and Tom Ilube also attended WAP meetings respectively as guests to discuss topics such as sustainability and diversity and inclusion. Jasmine Whitbread, Chair of the Compensation Committee, the WPP Chief People Officer and the Global Head of Reward also attended WAP meetings as guests to engage with members on remuneration and the impact of remuneration policy and outcomes. Issues raised at the WAP meetings and People Forums included: return to office plans and future working environments post Covid-19; diversity and inclusion; talent frameworks and development; and mental health and wellbeing.

The Chief Executive Officer and the Chief People Officer provided frequent People updates to the Board, including results on the various employee engagement and belonging surveys undertaken throughout the year. In addition, the Global Inclusion Council met throughout the year to deliver on the Company's diversity, equity and inclusion commitments. For more information on actions taken in response to employee feedback, please see page 52.

FOCUS FOR 2022

The Committee, in conjunction with the Board, will continue to review succession plans both at the Board and senior management level to develop a strong and diverse talent pipeline. As mentioned, a particular focus in 2022 will be on identifying a successor for the Senior Independent Director. The Committee will also continue to monitor external governance developments likely to impact the operation of the Board.

TERMS OF REFERENCE

The Committee's terms of reference are reviewed annually by the Committee and adopted by the Board, most recently on 8 February 2022. A copy of the Committee's terms of reference is available on the Company's website at wpp.com/investors/corporate-governance.

AUDIT COMMITTEE REPORT

Committee members

- Jacques Aigrain (Chair)¹
- Sandrine Dufour¹
- Tarek Farahat
- Cindy Rose OBE
- Tom Ilube CBE (appointed 1 January 2021)
- Simon Dingemans (appointed 31 January 2022)

The Company Secretary is Secretary to the Committee and attends all meetings.

The entire Board is invited to attend the Committee meetings and typically the Chair of the Board and the Senior Independent Director attend. Other regular attendees include the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Group Chief Counsel, the Group Finance Director, the Group Chief Accountant, the Group Finance Controller, the Global Director Risk and Controls, the General Counsel Corporate Risk, the Director of Internal Audit, and the external auditor.

The Board has determined that Jacques Aigrain and Sandrine Dufour are audit committee financial experts as defined by the Sarbanes-Oxley Act 2002 and, together with Tarek Farahat, have recent and relevant financial experience for the purposes of the 2018 UK Corporate Governance Code. As announced on 31 January 2022, Simon Dingemans was appointed as a Director and member of the Committee effective from 31 January 2022 and is considered to have recent and relevant financial experience. The members of the Committee have been determined to be independent within the meaning of the applicable NYSE listing standards and rules of the Securities Exchange Act 1934, as amended. The Committee has, as a whole, competence relevant to the sectors in which the Company operates.

Key responsibilities

- Monitoring the integrity of financial information provided to shareholders, including the review of significant financial reporting judgements
- Reviewing the integrity, adequacy and effectiveness of the Company's internal financial controls and the internal control and risk management systems, including the risk management framework and related compliance activities
- Monitoring and reviewing the Company's internal audit function
- Reviewing the selection and appointment of the external auditor
- Reviewing the effectiveness of the external audit process and reviewing and monitoring the independence and objectivity of the external auditor

Attendance at Committee meetings during the year can be found on page 119.



JACQUES AIGRAIN
CHAIR OF THE AUDIT COMMITTEE

DEAR SHAREHOLDER

As Chair of the Audit Committee, I am pleased to present the Committee's 2021 report, my last as I step down from the Board at the 2022 AGM, following a nine-year tenure. I am delighted that Sandrine Dufour will succeed me as Chair of the Committee effective from 1 April 2022 as announced on 29 March 2022. In the following pages of this report, we have set out an overview of the activities undertaken or overseen by the Committee during the year.

In 2021, the Committee continued to fulfil its important oversight role, monitoring the integrity of the Company's financial reporting and the effectiveness of internal control and risk management systems on which it has reported to the Board.

Key areas of focus for the Committee in 2021 included:

- continuing to provide oversight of the financial reporting process and integrity of the financial statements;
- monitoring the role and performance of the Risk and Controls Group against its objectives to strengthen the Internal Financial Controls Framework, particularly focused on Sarbanes-Oxley Act compliance, and developing controls relating to risks identified in the Risk Appetite Framework;
- monitoring the processes and progress to address the material weaknesses identified as part of the 2020 audit, relating to goodwill impairment as well as net investment hedging and complex IFRS and accounting matters;

- leading the external audit tender process and recommending to the Board, subject to shareholder approval, the appointment of PricewaterhouseCoopers LLP (PwC) as external auditor from the Company's 2024 financial year onwards;
- being appraised of the investigation into FCPA violations by the SEC, as announced on 24 September 2021;
- ongoing monitoring of the business integrity programme, including oversight of whistleblower reports;
- continuing to engage with the internal audit plan and monitoring progress;
- providing recommendations to the Board to recommence and extend the share buyback programme; and
- Providing oversight for the restatement of historic tax asset and liability adjustments. For more details see page 158.

Other reviews undertaken in 2021 by the Committee included:

- Group tax strategy, performance and drivers of the Group effective tax rate;
- reports on any actual or potential material litigation;
- Group Treasury performance and risk management;
- Group Finance team structure and reorganisation;
- the Procurement supplier onboarding processes; and
- reports on data protection and data privacy.

The Chief Financial Officer provided regular updates directly to the Board on the transformation programme, as well as deep dives on component parts.

The Committee reviewed letters received from and the Company's responses to the Financial Reporting Council's (FRC) Corporate Reporting Review team, in relation to the Company's 2020 Annual Report and Accounts. The FRC confirmed closure of its review² and suggested comments are reflected in the

² Scope and limitations of the FRC review: the FRC's review was based on the 2020 Annual Report and Accounts of WPP plc and did not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into by the Company. As part of their review, the FRC provided no assurance that the Company's 2020 Annual Report and Accounts were correct in all material respects and did not verify the information provided but considered compliance with reporting requirements only. The FRC accepts no liability for reliance on their review by the Company or any third party, including but not limited to investors and shareholders.

¹ Sandrine Dufour will succeed Jacques Aigrain as Audit Committee Chair, effective 1 April 2022.

2021 Annual Report. Summary review findings are expected to be published by the FRC on their website in due course.

The annual Board effectiveness evaluation assessed the performance of the Committee and I am pleased that this concluded that it operates effectively and the Board takes reassurance from the quality of the Committee's work. The Board is satisfied that the Committee members bring a wide range and depth of financial and commercial experience and, in addition to those members designated to have recent and relevant financial experience for the purposes of the 2018 UK Corporate Governance Code (the 'Code'), Tom Ilube and Cindy Rose bring extensive subject matter and process expertise including on emerging technologies and cyber security to the Committee's membership.

As announced on 31 January 2022, Simon Dingemans became a member of the Committee upon his appointment to the Board and brings recent and relevant financial experience for the purposes of the Code.

And finally, I would like to take the opportunity to thank the members of the Committee, together with management, for their support during the year and throughout my time on the Committee. I am very proud of the work the Committee has achieved in the past few years and wish Sandrine, the Board and the management team continued success as they deliver on the Company's strategic priorities. The sections that follow provide a more detailed explanation of the work of the Committee undertaken during the year.

Jacques Aigrain
Chair of the Audit Committee
31 March 2022

FINANCIAL REPORTING

The Committee is responsible for reviewing the quarterly, half yearly and annual financial results, including the Annual Report, with management, focusing on the integrity of the financial reporting process, compliance with relevant legal and financial reporting standards and application of accounting policies and judgements.

During the year, the Committee considered management's application of key accounting policies, compliance with disclosure requirements and relevant information presented on significant matters of judgement to ensure the adequacy, clarity and completeness of half yearly and annual financial results announcements. The Committee undertook a detailed review before recommending to the Board that the Company continues to adopt the going concern basis in preparing the annual financial statements.

The Committee also reviewed various materials to support the statements in the Annual Report on risk management and internal control and the assessment of the Company's long-term viability – see page 92 for more details.

FAIR, BALANCED AND UNDERSTANDABLE

To support the Board's confirmation that the Annual Report and Accounts, taken as a whole, is considered to be fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, the Committee oversaw the process by which the Annual Report and Accounts were prepared.

The Committee received a summary of the approach taken by management in the preparation of the Annual Report and Accounts, and considered in particular: the accuracy, integrity and consistency of the messages conveyed in the Annual Report; the appropriateness of the level of detail in the narrative reporting; and that a balance had been sought between describing potential challenges and opportunities.

The Committee therefore recommended to the Board (which the Board subsequently approved) that, taken as a whole, the 2021 Annual Report and Accounts is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy.

INTERNAL AUDIT

The Internal Audit team, which reports functionally to the Audit Committee, provides independent assurance over the Company's risk management and internal controls processes via internal audits and the testing programme for the Sarbanes-Oxley Act. The Internal Audit team has unrestricted access to all Group documentation, premises, functions, and employees to enable it to perform its work.

The Committee Chair met regularly with the Director of Internal Audit during the year without executive management present to discuss risk matters and the nature of internal audit findings in more depth. The Director of Internal Audit formally reports to each Committee meeting on the key findings of the function, together with the status of management's implementation of recommendations. On a quarterly basis this includes key themes from internal audit's work. Significant issues identified were discussed in detail by the Committee along with the remediation plans to resolve them.

The annual internal audit plan, which includes assurance over our transformation activities, was approved by the Committee and progress against the plan was monitored throughout the year and changes to the plan noted. The team was able to continue to operate successfully during the Covid-19 pandemic despite the inability to travel. We are satisfied that the scope, extent, and effectiveness of internal audit work are appropriate for the Group and that there is an appropriate plan in place to sustain and continually improve this.

As noted in last year's report, the Committee approved the appointment of Phil Gerrard as Director of Internal Audit in March 2021, in succession to Paul Stanley who retired later in the year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for setting the Company's risk appetite and for ensuring there is effective risk management. The Committee supports the Board in the management of risk and, in 2021, was responsible for monitoring and reviewing the effectiveness of the Company's approach to risk management and the internal control framework.

Under the overall supervision of the Committee, the WPP Risk Committee, an executive committee supported by Risk Committees in each network, identifies and assesses emerging and principal risks and oversees and manages day-to-day risk in the business. The General Counsel, Corporate Risk provides regular updates to the Committee on risk matters including emerging risks, adherence to the Company's business integrity programme (including mitigating and remediation actions) and the monitoring and evolution of the Company's four risk modules: governance, culture, appetite and management.

An overview of how our risks are assessed and managed and how these were reviewed to assess the Company's viability can be found on pages 88-92 together with an assessment of the principal risks and uncertainties facing the Company on pages 93-99.

In fulfilling its responsibilities, the Committee received reports throughout 2021 to enable evaluation of the control environment and risk management framework.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Committee carried out in-depth reviews of the Group's internal controls over financial reporting, with a focus on monitoring remediation of material weaknesses and compliance with Section 404 of the Sarbanes-Oxley Act. The following paragraphs outline the approach taken by management in relation to the remediation of material weaknesses, which the Committee oversaw and continues to monitor.

As reported in our Annual Report on Form 20-F for the fiscal year ended 31 December 2020, material weaknesses were identified in our internal control over financial reporting, which related to:

- Impairment assessment of intangible assets and goodwill;
- Complex accounting matters and judgements and changes in accounting standards; and
- Net investment hedging relationships.

During 2021, and as described below, the Committee finished implementing previously reported plans to remediate these material weaknesses, and management concluded that such material weaknesses were remediated as at 31 December 2021.

With respect to the material weakness relating to the control over the discount rate methodology used in impairment testing, management enhanced its risk assessment of the impairment assessment process and changed the approach to determining inputs with respect to the discount rates used in impairment assessments and established a more comprehensive review process over inputs and the overall discount rate methodology. Management also engaged an independent valuation specialist to assist as an integral part of the input determination process on an ongoing basis and implemented additional validation controls. We also conducted a refreshed risk assessment of the goodwill impairment testing process; updated the Company's control framework to ensure each risk is mapped to a specific mitigating control; engaged valuation specialists to assist in ensuring the accuracy and integrity of the impairment testing model and determining recoverable amounts that require significant judgement; and implemented additional reviews of the selection of cash flow periods. With respect to our controls relating to the determination of the assumptions in respect of working capital cash flows included in the impairment calculation, additional validation controls and additional reviews of the net working capital assumptions were implemented.

Management also undertook a series of steps to complete a comprehensive review and remediation of the Company's controls and procedures and engaged outside advisors to assist in remediating material weaknesses around complex accounting matters and judgement and changes in accounting standards. More broadly, the comprehensive retrospective review included identifying all critical accounting judgements with respect to financial statement line items, evaluating the application of the underlying accounting standards to those judgements and verifying the completeness, accuracy and reasonableness of those final judgements. As part of this effort, management significantly enhanced the staffing, capabilities and resources of our technical accounting function, which supported the retrospective review efforts and will continue to provide ongoing support in regards to complex accounting matters and judgement and changes in accounting standards. Under the direction of our Global Director of Risk and Controls, our new controls function that was established in 2020 implemented enhanced periodic controls, including controls to identify and evaluate changes in the underlying business, identify and evaluate amended or clarified accounting standards, or new guidance with respect to accounting standards, as well as controls surrounding the verification of critical accounting judgements, including those most likely to be impacted by amendments to, or clarifications of accounting standards we have adopted. Throughout 2021, our controls function continued to review and enhance controls across the Company.

With respect to our net investment hedging arrangements, management re-reviewed our hedging relationships and the associated documentation and analysed the application of hedge accounting to all other financial instruments to which such accounting treatment is being applied. Management has updated the design of our controls to verify the nature and existence of contemporaneous hedge documentation in accordance with IAS 39.

BUSINESS INTEGRITY

During the year, the Committee reviewed the adherence to, and evolution of, the business integrity programme. The Company has established and in 2021 refreshed its procedures by which all employees may, in confidence (and, if they wish, anonymously) report any concerns and more information on this can be found on page 90. The Committee received regular updates on the Company's systems and controls for ethical behaviour, which included matters reported on the Company's Right to Speak helpline and investigations and actions undertaken in response. The Committee received regular reports on the total number and nature of reports from whistleblowers and investigations by region and by network both for substantiated and unsubstantiated cases. During the year the Committee was satisfied that the Right to Speak helpline arrangements are effective and facilitate the proportionate and independent investigation of reported matters and allow appropriate follow-up action.

TERMS OF REFERENCE

The Committee's terms of reference are reviewed annually by the Committee and adopted by the Board, most recently on 20 January and 9 February 2022 respectively. A copy of the Committee's terms of reference is available on the Company's website at wpp.com/investors/corporate-governance

EXTERNAL AUDITOR

The Committee has primary responsibility for overseeing the relationship with the external auditor, including assessing its performance, effectiveness and independence annually prior to making a recommendation to the Board in respect of its reappointment or removal.

The Company has complied with the Competition and Markets Authority's Statutory Audit Services Order 2014 for the financial year under review in respect to audit tendering and the provision of non-audit services.

AUDIT TENDER

Deloitte LLP (Deloitte) was appointed external auditor of the Company in 2002 and, as defined by the transitional arrangements for competitive tender, they are not permitted to be reappointed as the Company's auditor after the 2023 fiscal year-end.

We advised shareholders in last year's Annual Report that the Committee had initiated a competitive tender process for the external audit contract. The tender process was overseen by an audit tender committee (ATC), chaired by Jacques Aigrain. Other members of the ATC were Sandrine Dufour, the CFO, the Group Chief Counsel, and the Group Finance Director.

Following a detailed market assessment, a number of audit firms, including some firms outside the Big Four, were approached to participate in this process. The current external auditor, Deloitte, was not invited to participate in the tender due to the prevailing rules on audit firm rotation.

This enabled the Committee to recommend to the Board the appointment of PwC as the preferred new auditor from two shortlisted bidding firms, a recommendation which the Board subsequently endorsed in September 2021. The Committee's judgement was that PwC was best placed to succeed Deloitte and deliver a high quality audit for the Company and in the best interests of its shareholders. Subject to shareholder approval, Deloitte will continue in office until 2023, at which point they will retire after completing the audit for the financial year ending 31 December 2023. The overleaf timeline further illustrates the Company's evaluation and decision making process.

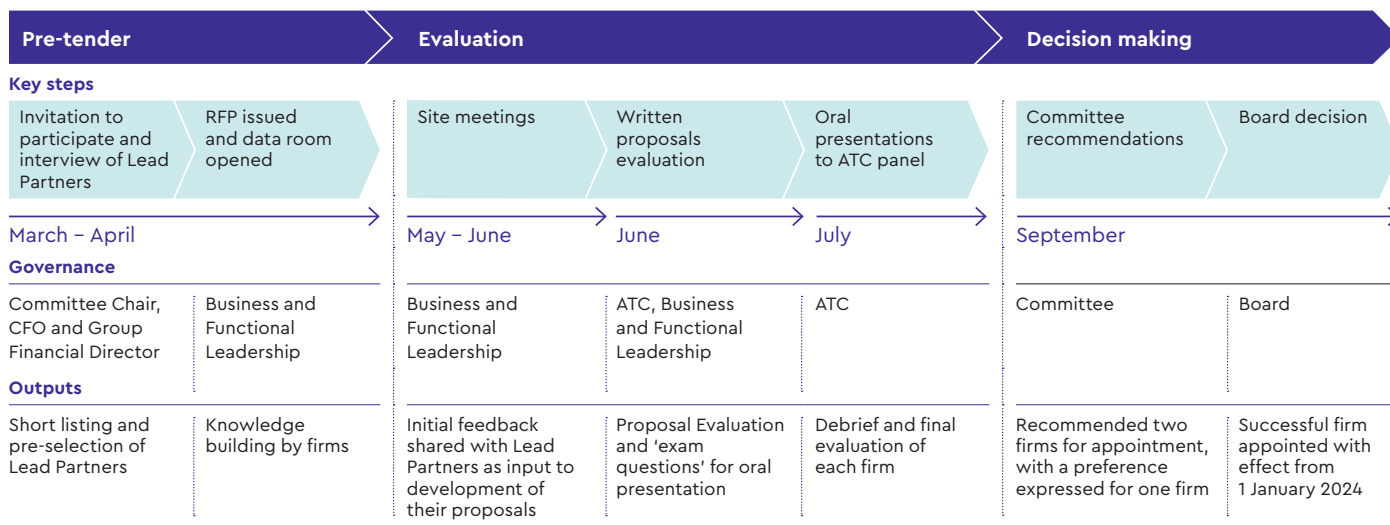
From the Company's 2024 financial year onwards, PwC will be appointed in Deloitte's place, subject to shareholder approval. We wish to thank each firm that participated in the tender for the professionalism and commitment they demonstrated through the process.

A transition governance group (Governance Group) has been established, led by the Group Finance Director. Ten workstream teams, consisting of members from both WPP and PwC, have been created to ensure all aspects of the transition are proactively managed. The workstreams provide regular updates to the Governance Group, which in turn provides quarterly updates to the Committee. This supports the Committee in overseeing the transition from Deloitte to PwC to ensure that:

- Deloitte continues to discharge its auditing responsibilities effectively to the end of its time in office; and
- PwC takes the necessary steps to ensure that it is independent of the Company and fully mobilised by the time it begins audit planning activities (including shadowing Deloitte's 2023 audit) to observe Deloitte at an appropriate juncture in 2023.

The Committee looks forward to reporting to shareholders on discharging the activities associated with this transition in the Company's 2022 Annual Report.

2021 EXTERNAL AUDIT TENDER PROCESS



EFFECTIVENESS AND INDEPENDENCE OF THE EXTERNAL AUDITOR

In 2021, the Committee evaluated the effectiveness of the external audit process through its ongoing review of the external audit planning process and discussions with key members of the Company's finance team.

The Committee also considered:

- a report from Deloitte confirming it maintains appropriate internal safeguards in line with applicable professional standards to remain independent, and mitigation actions to safeguard Deloitte's independence such as the operation of the Non-Audit Services policy;
- the appointment of James Bates as the lead audit partner for Deloitte in respect of the 2021 audit; and
- the Audit Quality Review's 2020/21 Audit Quality Inspection Report on Deloitte and the actions taken by Deloitte to address the findings in that report.

AUDIT/NON-AUDIT SERVICES

£m



- Audit fees (2021: 31.9, 2020: 29.3)
- Non-audit fees (2021: 1.8, 2020: 1.2)

Deloitte attended all Committee meetings in 2021 and met the Committee at least once without executive management present.

Overall therefore, the Committee concluded that:

- it continues to be satisfied with the performance of the external auditor and with the policies and procedures in place to maintain its objectivity and independence; and
- Deloitte possesses the skills and experience required to fulfil its duties, there was constructive challenge and appropriate scepticism where necessary to ensure balanced reporting and that the audit for the year ended 31 December 2021 was effective.

APPOINTMENT OF EXTERNAL AUDITOR AT GENERAL MEETING

The Committee has recommended to the Board, and the Board has approved that Deloitte should be reappointed as auditor. Resolutions will be put to the 2022 Annual General Meeting proposing the re-appointment of Deloitte and to authorise the Audit Committee to determine the auditor's remuneration.

NON-AUDIT SERVICES

To preserve objectivity and independence, Deloitte is not asked to provide other services unless it is in the best interests of the Company, in accordance with the Non-Audit Services Policy that sets out the circumstances and financial limits within which Deloitte is permitted to provide certain non-audit services.

All fees are summarised periodically for the Committee to assess the aggregate value of non-audit fees against audit fees. During the year, Deloitte received £31.9 million in fees for work relating to the audit services it provides the Company. Non-audit related work undertaken by Deloitte amounted to fees of £1.8 million this year, which amounted to 5.6% of the total audit fees paid.

FINANCIAL REPORTING AND SIGNIFICANT FINANCIAL JUDGEMENTS

Key accounting judgements made by management were reported to and examined by the Committee and discussed with management and Deloitte. The Committee considered the following significant financial reporting judgements in relation to the financial statements:

AREA OF FOCUS

CRITICAL JUDGEMENTS AND ESTIMATES

ACTIONS TAKEN/CONCLUSION

Goodwill impairments

Estimates and judgements in relation to goodwill impairment testing.

The Committee assessed the appropriateness of the assumptions used by management in the goodwill impairment assessment model, with a particular focus on the discount rate and growth assumptions.

Remuneration

Accounting for elements of remuneration where estimates and judgements are required.

The Committee reviewed the assumptions applied by management in relation to judgemental elements of remuneration, including pensions, bonus accruals and share-based payments, and agreed that these are reasonable.

Taxation

The estimates and judgements made in respect of tax.

The Group Tax Director presented to the Committee in December 2021. The Committee considered management's assumptions, in particular in relation to the level of central tax provisions, and believed that the level of central tax provisions is reasonable. The Committee also considered the restatement of the previously reported corporate income tax recoverable, corporate income tax payable and tax charge and agreed that the restatement was appropriate.

OTHER AREAS

Headline profit

Judgements relating to headline profit measures.

The Committee considered the judgement applied by management in calculating headline profit, in order to present an alternative picture of performance by excluding significant, non-recurring or volatile items otherwise included in the reportable figures. The Committee reviewed management's judgements relating to restructuring and transformation costs, with particular focus on the continued rollout of the Group's new ERP system and other ongoing transformation projects, including IT transformation projects, shared service centres and campus co-locations. The Committee was satisfied that excluding these amounts from headline profit measures was reasonable and that it had been disclosed appropriately.

Going concern

The going concern assessment and viability statement.

The Committee reviewed the scenarios modelled by management and assessed management's view that the likelihood of declines of over 30% of revenue less pass-through costs compared to 2021 was remote. The Committee has considered and concurs with management's going concern, viability and forecasting assumptions, as set out on page 92.

Revenue

The judgements made in respect of revenue.

The Committee reviewed the judgements made in the assessment of certain large, central revenue contracts and was satisfied that they had been treated appropriately.

Liabilities in respect of put options and earnouts

The accuracy of the calculation of the fair value of liabilities in respect of put options and earnouts.

The Committee considered management's calculations of the fair value of liabilities in respect of put option agreements and payments due to vendors (earnout agreements), including the forecasts, growth rates and discount rates used in these calculations. The Committee was satisfied that liabilities for potential future earnout payments had been accounted for appropriately.

Investments

The valuations of non-controlled investments.

The Committee examined management's valuations, based on input from external advisors, forecasts, recent third-party investment, external transactions and/or other available information such as industry valuation multiples. The Committee considered Deloitte's testing of the valuations and agreed that the valuations were appropriate based on the information available to the Group.

SUSTAINABILITY COMMITTEE REPORT

Committee members

- Keith Weed CBE (Chair)
- Sally Susman (stepped down as Co-Chair 8 June 2021)
- Angela Ahrendts DBE (appointed 1 January 2021)
- Jasmine Whitbread
- Dr. Ya-Qin Zhang (appointed 15 March 2022)

Regular attendees include the Chief Executive Officer, the Chief Financial Officer, the Senior Independent Director, the Group Chief Counsel, the Chief People Officer, the Director of Sustainability and the Global Corporate Affairs Director.

The Company Secretary is Secretary to the Committee and attends all meetings.

Key responsibilities

- Understanding the sustainability risks and opportunities for the Company
- Assisting the Board in its oversight of corporate responsibility, sustainability, health and safety and reputation matters taking into account the Company's purpose, strategy and culture
- Assessing the Company's current sustainability footprint, reviewing sustainability targets and commitments and materiality
- Reviewing and considering the Company's Modern Slavery Statement and sustainability-related policies including Environment Policy for approval by the Board

Attendance at Committee meetings during the year can be found on page 119.



KEITH WEED CBE
CHAIR OF THE
SUSTAINABILITY COMMITTEE

DEAR SHAREHOLDER

As the Chair of the Committee, I am pleased to present the Committee's 2021 report.

I would like firstly to take the opportunity to thank Sally for co-chairing the Committee with me until June this year and for her very significant contribution to the success of the Committee since its formation in 2019.

The Committee was formed in December 2019 to give increased focus on sustainability for the Board and the Company, to strive to meet the expectations of our stakeholders and to ensure we are managing our risks and taking advantage of the opportunities.

The ongoing impact of the Covid-19 pandemic, social unrest, political division and climate-related disasters around the globe continue to drive a focus on environmental, social and governance (ESG) matters, with significant risks and opportunities for our business and our clients.

A large part of the focus of the Board and the organisation in 2021 has been the development and launch of a new sustainability strategy for WPP, detailed on pages 70 and 71, which sets out how WPP aims to use the power of creativity to build better futures for our people, planet, clients and communities.

CLIMATE CRISIS

Recognising the growing urgency of the climate crisis, the Committee had regular in-depth progress reviews as the Company developed new and industry-leading commitments to reach net zero carbon emissions across its own operations by 2025 and across its value chain by 2030. In June this ambition was underpinned by science-based targets, verified by the Science Based Targets initiative. In November, WPP executives attended COP26 in Glasgow, hosting a panel discussion alongside the UNFCCC to explore the role of production and consumption in accelerating the transition. The sustainability section on pages 68-87 sets out the Company's net zero commitments and performance. In 2022, the Company will develop a detailed roadmap to deliver against these commitments.

HEALTH AND SAFETY

The Committee assists the Board in its oversight of health and safety related matters and, in 2021, received an update on the Group's new Crisis Management and Business Resilience Unit, established in March, to ensure that WPP agencies and people are well prepared to recognise and respond to existing and emerging disruptive events.

In February of this year, the Committee was updated on the Company's investment in mental health and wellbeing (see page 74), which will be a continued area of focus for the Board and the Committee in 2022.

Throughout the year, the Committee alongside the Board received regular updates on the Group's response to the Covid-19 pandemic, including a WPP Covid Relief Fund to give financial support to WPP employees and their families in real time in countries most affected by the pandemic and work with the World Health Organization Foundation on their Go Give One fundraising campaign. Further details can be found on page 81.



UN CLIMATE CHANGE CONFERENCE (COP26)

Making it easier for consumers to live more sustainably and reducing the carbon emitted in production both require innovation. Spurring innovation often requires consumer preferences to shift, which is where the power of creativity is required. It is here that WPP plays a vital role through the work we do with our clients and valued partners such as the UNFCCC.

WPP is a partner to the UNFCCC and, at COP26 in Glasgow, we hosted an important discussion with the UNFCCC's Deputy Executive Secretary, Ovais Sarmad. Joining the discussion were the CFO of Alphabet and Google, Ruth Porat, and the CEO of Reckitt Benckiser, Laxman Narasimhan. The panel was moderated by Bloomberg Television's Maria Tadeo and focussed on the role responsible consumption and production can play in accelerating the transition to deliver the Paris Agreement on climate change.


TRANSPARENCY AND ENGAGEMENT


The Committee continues to support management's engagement strategy on sustainability. During the year, management hosted a series of townhalls to discuss ESG topics with employees, and held its first ESG investor presentation. I also enjoyed engaging with key investors on ESG topics and look forward to a continued dialogue in 2022.

The Committee will continue to monitor sustainability KPIs to measure delivery against the Company's strategy and targets. Progress relies on accountability so, in 2021, we included diversity, equity and inclusion goals in our incentive plans for senior executives for the first time. We also included our carbon reduction targets in incentive plans for Executive Directors from 2021.

The Committee notes that the ongoing Covid-19 pandemic has affected the Company's ability to meet its commitment to phase out single-use plastics across its offices and this will be a priority for the Committee to address in 2022.

In August, the Committee participated in the selection process to appoint a new independent assurance provider, PricewaterhouseCoopers LLP ('PwC'), to support WPP's assurance programme for certain non-financial data disclosed in this report.

Throughout this report, selected ESG metrics highlighted with the symbol  were subject to external independent limited assurance procedures by PwC for the year ended 31 December 2021. For the details and results of the limited assurance see wpp.com/sustainabilityreport2021.

Selected content highlighted with the symbol  in the Governance section of the TCFD statement on pages 214-216 was also subject to external independent limited assurance procedures by PwC for the year ended 31 December 2021. For the details and results of this limited assurance see wpp.com/sustainabilityreport2021.

TERMS OF REFERENCE

The Committee's terms of reference are reviewed annually by the Committee and adopted by the Board most recently on 19 January and 8 February 2022 respectively. A copy of the Committee's terms of reference is available on the Company's website at wpp.com/investors/corporate-governance

I would like to thank the members of the Committee and the management team for their commitment throughout the year and look forward to continuing our work in 2022.

Keith Weed

Chair of the Sustainability Committee

31 March 2022

COMPENSATION COMMITTEE REPORT

Committee members

- Jasmine Whitbread (Chair)
- Jacques Aigrain
- Sandrine Dufour (appointed 1 January 2021)
- Tom Illube CBE (appointed 5 February 2021)
- Roberto Quarta
- Cindy Rose OBE (appointed 5 February 2021)
- Nicole Seligman

Attendees

Other attendees at the Committee meetings were:

- Chief Executive Officer
- Chief Financial Officer
- Chief People Officer
- Global Reward and Performance Director
- Committee advisor (WTW)

The Chief Executive Officer and Chief Financial Officer are not present when matters relating to their own compensation or contracts are discussed and decided.

The Company Secretary is Secretary to the Committee and attends all meetings.

Key responsibilities

- Setting the Compensation Policy and the terms and conditions for the Chairman of the Board, Executive Committee and Company Secretary
- Designing and monitoring incentive arrangements including setting targets and assessing performance
- Maintaining an active dialogue with shareholders and ensuring WPP practice aligns with corporate governance standards



JASMINE WHITBREAD
CHAIR OF THE
COMPENSATION COMMITTEE

DEAR SHAREHOLDER

On behalf of the WPP Board, I am pleased to present the Compensation Committee report for the financial year ended 31 December 2021. In the report, I include my introductory letter and At a Glance summary of compensation, an overview of the Directors' Compensation Policy (the 'Policy') approved by shareholders at the 2020 AGM and the Annual Report on Compensation setting out the implementation of the Policy in 2021. The Report also sets out the proposed implementation for 2022.

RETURN TO GROWTH

WPP has demonstrated exceptional performance in 2021, delivering growth ahead of pre-pandemic levels and our fastest organic growth for over 20 years. WPP's strategy is coming to fruition and the depth, breadth and global scale of our offer has enhanced our relationships with existing clients and built solid foundations with new clients.

Such performance is underpinned by the creative talent and hard work of our people, who continued to collaborate and innovate whilst demonstrating their resilience during another challenging year.

Our pay-for-performance philosophy applies throughout the Group and the leadership team believes our people should be rewarded for such outstanding performance. A record bonus pool will be extended to a wider group of employees than is typical, with over half of employees receiving some form of annual bonus to recognise their efforts in 2021.

WPP's performance in 2021 is testament to the exceptional executive team leading the transformation. The Committee recognises the role that compensation plays in the global competition for talent and in

the retention and incentivisation of the leadership team to deliver a demanding plan for continued growth and value creation.

The Committee believes that the decisions made in respect of fixed compensation, the annual Short Term Incentive Plan (STIP) and long-term Executive Performance Share Plan (EPSP) are a fair and accurate reflection of the outstanding performance of the Company and the Executive Directors during 2021.

COMPENSATION IN 2021 BASE SALARY 2021

Mark Read's salary was last reviewed on appointment in September 2018. The review due in 2020 was postponed due to the impact of Covid-19 which drove a focus on cost reduction including the postponement of salary increases for all employees. His salary was reviewed in 2021, alongside a wider workforce salary review. In doing so, the Committee took into consideration the external market in the UK as well as the global advertising and media sector; Mark's strong performance in role since his appointment; and the compensation landscape across the wider workforce.

The Committee agreed an increase of 6.7% to £1,040,000 effective from 1 June 2021 which was Mark's first increase in three years. Average annual salary increases in the UK were around 5.6% in 2021, however individual increases varied based on several factors. Mark's increase was within the range awarded to other high-performing employees.

STIP 2021

The Executive Directors participated in the 2021 STIP, which was based on a combination of financial and non-financial measures that are fully aligned to the delivery of the Company strategy and our purpose. The plan was rolled out to around 160 senior leaders across WPP. This is the first time a single STIP plan has been in place for all senior leadership which included an element of the bonus based on WPP financials as well as the performance of individual agency brands. Employees across the wider workforce are eligible to participate in alternative annual bonus plans.



OUR COMPENSATION DECISIONS DURING THE YEAR REFLECT OUR PAY-FOR-PERFORMANCE PHILOSOPHY IN WHAT HAS BEEN A YEAR OF EXCEPTIONAL PERFORMANCE."

Jasmine Whitbread
Chair of the
Compensation Committee



To learn more see
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corporate-governance](https://wpp.com/about/corporate-governance)

The financial measures, which determined 75% of the award, were like-for-like headline operating profit growth, headline operating margin improvement and like-for-like revenue less pass-through costs growth. The financial element of the STIP delivered maximum payout following very strong performance in 2021. The Committee felt that this was an accurate reflection of performance and has made no adjustments to the outcome.

We introduced a balanced scorecard of non-financial measures which determined the remaining 25% of the award. The scorecard included measures under four categories: Client; People and Diversity, Equity and Inclusion (DE&I); Purpose and Reputation; and Strategic Priorities.

The Committee is of the view that performance against all four categories in 2021 has been outstanding. From a Client perspective, highlights of the year include significant client wins, such as Coca-Cola, Google and Unilever, resulting in WPP being ranked at the top of the global R3 new business rankings for the year. From a People and DE&I perspective, we monitor closely the diversity of senior leadership and employees of all levels across the Company. We are pleased to see progress, as well as the significant investment in initiatives to promote diversity and inclusion at WPP.

In terms of Purpose and Reputation, in April 2021, WPP announced its commitment to reach net zero carbon emissions in its operations by 2025 and across its entire supply chain by 2030, an industry first. This commitment underpins our sustainability programme, where significant achievements have been made during the year. And, finally, we continued to make good progress against our Strategic Priorities. Highlights of the year include a number of strategic acquisitions, facilitating our focus on the high-growth areas of commerce and technology.

Full details of non-financial performance are included on pages 144 and 145.

The Committee considered the Executive Directors' non-financial performance under each of the four categories. An overall assessment of 25% for both Mark Read and

John Rogers was determined by the Committee, resulting in a maximum STIP for both Executive Directors.

EPSP 2017-2021

The 2017 EPSP award completed its five-year performance period on 31 December 2021. Awards vest based on performance against three metrics: relative total shareholder return (TSR), return on equity (ROE) and earnings per share (EPS). This is a legacy plan in which targets were set prior to the CEO's appointment, Covid-19 and the launch of the strategy. The Committee did not feel it was appropriate to adjust the targets during the performance period. As a result, performance over the five-year period fell below threshold levels for each of the three performance measures resulting in no vesting in respect of the 2017 EPSP awards.

COMPENSATION FRAMEWORK FOR 2022 EPSP 2022

We recognise the considerable challenges faced by WPP in ensuring that the compensation for the CEO, who is leading the transformation of our business, fairly recognises his significant contribution, is motivating and supports his retention in a highly competitive market. WPP is a global business and our executives who have proven their ability to continue to deliver the transformation needed against an exceptional external environment are in great demand. The Committee is of the view that a market-competitive package with a long-term incentive that continues to be subject to stretching, meaningful and transparent performance conditions is a key aid to retention and ensures Mark's compensation continues to be aligned with the interests of WPP and its shareholders.

We consulted with several of WPP's largest shareholders on this matter and received valuable input to our decision in respect of the CEO's 2022 EPSP award. The Committee also considered the extent to which extant incentive plans provide a retention tool, the increasing compensation compression between the Executives and other senior leaders across our business, the competitive nature of the global executive market, as well as the interests of our wider stakeholders

including shareholders. A review of market data within the FTSE 50 and our sector globally supported the Committee's view that an increased EPSP award for the CEO would be appropriate. Therefore, the Committee determined that an award of 390% of base salary to the CEO, which is within the range approved by shareholders, would be granted. This is an increase from the award level of 350% which Mark has received since appointment and the targets have been set to be stretching to recognise this level of award.

EPSP PLAN RULES

The EPSP plan rules, approved in 2013, will expire in 2023. We believe it is prudent to renew the plan rules well in advance of their expiry, therefore updated EPSP plan rules are proposed for shareholder approval at the 2022 AGM. There are no material changes.

DIRECTORS' COMPENSATION POLICY REVIEW

The Directors' Compensation Policy will be reviewed during 2022 and presented for shareholder approval at the 2023 AGM. The Committee intends to consult with major shareholders prior to proposing any changes to the Policy.

CONCLUSION

I would like to thank the leadership team for its outstanding contributions to exceptional performance in what continues to be a challenging environment.

We welcomed three new members to the Committee in 2021: Sandrine Dufour, Tom Ilube and Cindy Rose. I would like to express my thanks to them for their fresh perspective, as well as to longer-serving members for their continuing high engagement and commitment.

Jasmine Whitbread
Chair of the
Compensation Committee
31 March 2022

2021 PERFORMANCE OUTCOMES

STIP PERFORMANCE

The information below summarises the 2021 STIP performance outcomes for our Executive Directors. Full details of financial and non-financial performance are included on pages 144 and 145.

	WEIGHTING					OUTCOME ACHIEVED	
		Threshold (0% payable)	Target (50% payable)	Maximum (100% payable)		Mark Read	John Rogers
Like-for-like headline operating profit growth	25%	5.0%	10.0%	15.0%	26.8%	25%	25%
Headline operating margin improvement	25%	0.25%	0.75%	1.25%	1.7%	25%	25%
Like-for-like revenue less pass-through costs growth	25%	2.0%	4.0%	6.0%	// 12.1%	25%	25%
Non-financial performance	25%	See pages 144 and 145 for performance against non-financial measures for both Mark Read and John Rogers				25%	25%
Total	100%					100%	100%

Actual performance // Indicates a scale break

EPSP PERFORMANCE

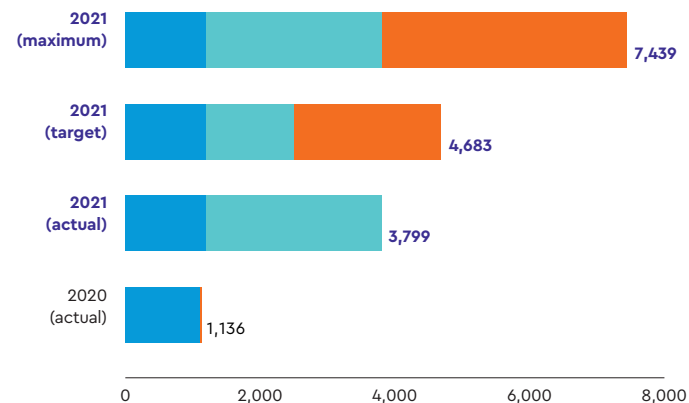
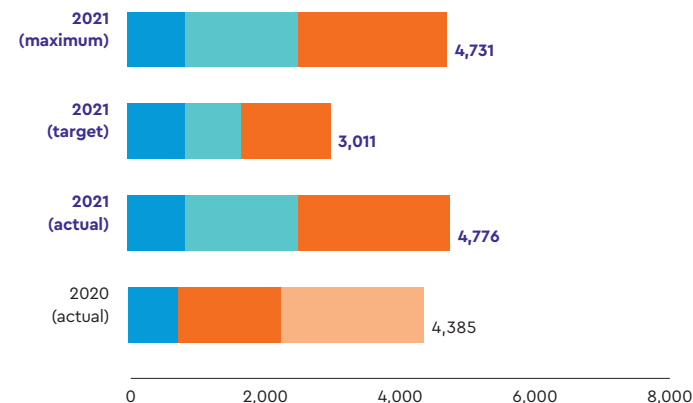
WEIGHTING					OUTCOME ACHIEVED	
			Threshold (15% payable)	Maximum (100% payable)		
Average ROE over five years	1/3	14.5%	15%	18%	0%	
EPS growth over five years	1/3	-7.1%	7%	14%	0%	
Relative TSR (common currency) – assessed as outperformance against set % of peer group	1/3	37%	50%	90%	0%	
Relative TSR (local currency) – assessed as outperformance against set % of peer group		32%	50%	90%		
Total	100%				0%	

Actual performance

// Indicates a scale break

TOTAL COMPENSATION 2021

£000

Mark Read**John Rogers**

- Fixed compensation, consisting of base salary, benefits and pension (as set out in the single figure on page 141)
- Short-term incentives (STIP)
- Long-term incentives (EPSP)
- Buy-out awards (see page 147 of the 2020 Compensation Committee Report)

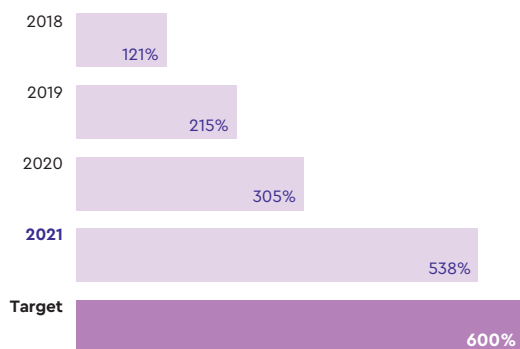
Target: 50% of maximum STIP, 60% of maximum LTIP.

SHAREHOLDING REQUIREMENTS

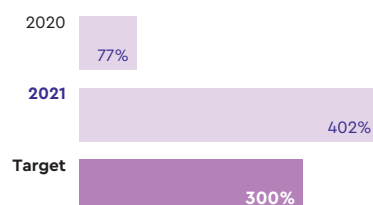
Mark Read is on target to reach his shareholding requirement within seven years of his appointment to an Executive Director, as required by the Policy. John Rogers achieved his shareholding requirement in 2021. Their shareholding as at 31 December 2021 is shown below as a percentage of base salary.¹

Mark Read

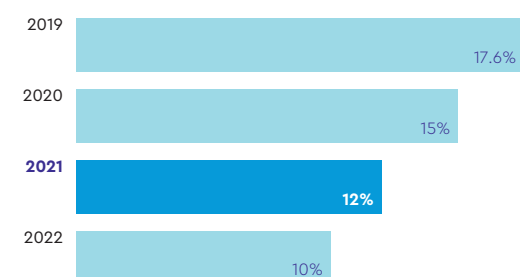
Appointed to the Board 3 September 2018

**John Rogers**

Appointed to the Board 3 February 2020

¹ The share price used for the calculation is the average share price for the last two months of the year.**PENSIONS**

As set out in our 2020 report, Mark Read's pension contribution is being reduced to align executive pensions with the wider workforce in the UK and will be 10% of base salary by the end of the policy period. The chart below shows the contribution levels at the end of each year of the Policy period. John Rogers' pension contribution is already aligned at 10% of base salary since being set at this level on appointment.



COMPENSATION POLICY

The Directors' Compensation Policy was approved by shareholders at the 2020 AGM. The table below shows a summary of the Policy and how it will be implemented for 2022. Full details of the Policy can be found at pages 120-125 of the 2019 Annual Report and Accounts.

ALIGNING COMPENSATION WITH STRATEGY

Performance measures are selected to align to our business strategy and include a range of financial and non-financial metrics. Non-financial metrics are measured in a scorecard with appropriate measures set based on role and accountabilities. These measures are based on four categories: Client – relating to new business and client satisfaction; People and DE&I – this will include improvements in relation to diversity as well as the delivery of our broader people strategy; Purpose and Reputation – aligned to the Company's sustainability strategy and the management of governance and controls as well as industry achievements and awards; and Strategic Priorities – in relation to our Group-wide transformation.

		STRATEGIC ELEMENTS				
		Vision & offer	Creativity	Data & technology	Simpler structure	People & culture
Short-term incentive plan (STIP)	Financial measures					
	Like-for-like headline operating profit growth	•			•	•
	Headline operating profit margin improvement	•		•	•	•
	Like-for-like revenue less pass-through costs growth	•	•	•	•	
	Non-financial scorecard					
	Client	•	•	•	•	•
	People and DE&I	•	•			•
	Purpose and Reputation	•	•	•	•	•
	Strategic Priorities	•	•	•	•	•
Long-term incentive plan (EPSP)	Return on invested capital			•	•	
	Adjusted free cash flow	•			•	
	Relative TSR	•	•	•	•	•

TIMELINE OF COMPENSATION ELEMENTS

	2022	2023	2024	2025	2026
● Base salary ● Benefits ● Pension					
● STIP	Cash	Deferred shares (Executive Share Award)			
● EPSP	Performance period			Holding period	

FIXED ELEMENTS OF COMPENSATION

COMPONENT AND TIME HORIZON	PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	IMPLEMENTATION FOR 2022
● Base salary	To maintain package competitiveness and reflect skills and experience; to enable recruitment and retention.	<p>Base salary is typically reviewed every two years but may be reviewed annually if the Committee deems appropriate.</p> <p>The Committee may realign base salary over a phased period for new Board appointees who start on a lower-than-market salary.</p> <p>Salary levels and increases take into consideration:</p> <ul style="list-style-type: none"> – Salary increases awarded across the Group – Individual performance – Levels in other companies of similar size, scope and complexity 	<p>Increases for Executives will usually be aligned to the wider workforce which will reflect the performance of the Company, individual and local economic factors.</p> <p>Increases above the normal level may be made to take into account special circumstances such as:</p> <ul style="list-style-type: none"> – Increase in the nature or scope of the role – To reflect development in a role such as in the case of an executive appointed at a below-market salary 	<p>Mark Read: £1,040,000 John Rogers: £740,000</p> <p>Salary levels may be reviewed in 2022.</p>
● Benefits	Provide an annual fixed and non-itemised allowance to enable the executive to procure benefits to enable them to undertake their role and ensure their wellbeing and security.	<p>The fixed annual allowance will be reviewed periodically by the Committee and any changes will be effective for the next fiscal year. The allowance is set with regard to the individual concerned and the role they undertake.</p> <p>Should the Executive be required to move to a different country, a relocation benefit may be provided in addition to the usual benefit allowance.</p>	The maximum benefit allowance payable is £50,000.	<p>Mark Read: £35,000 John Rogers: £30,000</p>
● Pension	To enable provision for retirement benefits.	Pension is provided by way of contribution to a defined contribution retirement arrangement, or as a cash allowance, determined as a percentage of base salary.	<p>Executive Director: 10% of base salary.</p> <p>Current: CEO – 12% of base salary reducing to 10% over the 2020-2022 Policy period. CFO – 10% of base salary.</p>	<p>Mark Read: 12%* John Rogers: 10%</p> <p>* To be reduced to 10% during 2022 as part of plans to align executive pensions with the wider workforce.</p>

VARIABLE ELEMENTS OF COMPENSATION

COMPONENT AND TIME HORIZON	PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE	IMPLEMENTATION FOR 2022
<p>● Short-term incentive plan (STIP)</p>	<ul style="list-style-type: none"> – Cash bonus – Executive Share Award (ESA) <p>To drive the achievement of strategic priorities for the financial year and to motivate, retain and reward executives over the short and medium term.</p> <p>The ESA element of the incentive aligns executives with shareholder interests.</p>	<p>Targets are set early in the year. The Committee determines the extent to which these targets have been achieved at the end of the year based on performance.</p> <p>The STIP is delivered as follows:</p> <ul style="list-style-type: none"> – At least 40% of the STIP pay-out is delivered in the form of conditional deferred shares (ESA) which will be released after a period of two years – The Committee has discretion to adjust the formulaic bonus outcomes both upwards and downwards (including to zero) if it is determined that performance has been impacted by unforeseen circumstances and the outcome is not reflective of the underlying company performance – STIP is subject to the malus and clawback policy 	<p>Maximum opportunity</p> <ul style="list-style-type: none"> – 250% of base salary <p>Target opportunity</p> <ul style="list-style-type: none"> – 50% of the maximum opportunity <p>Less than the maximum opportunity may be applied to Executives.</p> <p>Dividends will accrue on the ESA during the deferral period.</p>	<p>Performance measures and targets are reviewed and set annually to ensure continued strategic alignment.</p> <p>Financial measures may represent a minimum of 75% of the award and a maximum of 100%.</p> <p>Individual strategic or non-financial objectives may represent up to 25% of the award.</p>	<p>Mark Read: 0-250% John Rogers: 0-225%</p> <p>75% financial and 25% non-financial targets</p>
<p>● Long-term incentive plan – Executive Performance Share Plan (EPSP)</p>	<p>To drive the achievement of long-term strategic priorities, to aid retention and to align executive and shareholder interests over the long term.</p>	<p>The EPSP comprises a grant of performance share awards which will vest subject to the achievement of performance conditions.</p> <p>The EPSP has a performance period of three years, followed by a two-year holding period of the vested shares.</p> <p>The Committee has the discretion to adjust the formulaic outcome of the award to ensure that vesting reflects underlying Company performance and value creation for shareholders.</p> <p>EPSP is subject to the malus and clawback policy.</p>	<p>Maximum opportunity</p> <ul style="list-style-type: none"> – 400% of base salary <p>Less than the maximum opportunity may be applied to executives.</p> <p>Dividends will accrue on awards during the performance period.</p>	<p>Vesting of the EPSP is subject to the achievement of demanding performance targets.</p> <p>Performance measures are set by the Committee and may be a mix of market, financial and non-financial measures. In 2022 the measures will be relative TSR, ROIC and cumulative adjusted free cash flow (AFCF).</p> <p>Threshold performance will produce an award of 20% of the award granted and increase on a sliding scale to 100% for maximum performance achievement.</p>	<p>Mark Read: 0-390% John Rogers: 0-300%</p> <p>(See pages 134 and 148 for further details)</p>
<p>● Shareholding requirements</p>	<p>To align the interests of Executive Directors with shareholders.</p> <p>Executive Directors are required to hold 100% of their shareholding requirement for a period of one year following cessation of employment, reducing to 50% for a second year.</p>	<p>Executive Directors and other members of the senior management team are subject to shareholding requirements which seek to reinforce the WPP principle of alignment of management's interests with those of shareholders.</p>	<p>Chief Executive Officer: 600% of base salary.</p> <p>Chief Financial Officer: 300% of base salary.</p> <p>Minimum for any other new executive appointed to the Board: 200% of base salary.</p> <p>Executive Directors will be permitted a period of seven years from the date of their appointment to achieve the required level.</p>	<p>If an Executive Director fails to achieve the required levels of shareholding, the Committee will decide what remedial action or penalty is appropriate. This may involve a reduction in future share awards or requiring the Director to purchase shares in the market to meet the shareholding requirements.</p> <p>If the Executive Director fails to maintain their shareholding requirement post-employment, this may result in a reduction of outstanding awards.</p>	

ANNUAL REPORT ON COMPENSATION

This section of the report sets out details of how the Directors' Compensation Policy was implemented in 2021. We start by setting out the details of the operation of the Compensation Committee and then present a summary of the 2021 Director compensation together with a summary of pay across the Group.

Payments have been made in accordance with the Directors' Compensation Policy, approved by shareholders at the 2020 AGM. The information included in this section has been audited where stated.

GOVERNANCE IN RELATION TO COMPENSATION

During 2021, there were five scheduled and five unscheduled Compensation Committee meetings. A table of Board and Committee attendance can be found on page 119 and the detail of key activities discussed is set out below.

The Committee members have no personal financial interest (other than as a shareholder as disclosed on page 152) in the matters to be decided by the Committee, potential conflicts of interest arising from cross-directorships, or day-to-day involvement in running the Company's businesses. The terms of reference for the Compensation Committee are available on the Company's website.

ADVISORS TO THE COMPENSATION COMMITTEE

The Compensation Committee regularly consults with Group Executives. The Committee invites certain individuals to attend meetings, including the Chief Executive Officer and Chief Financial Officer (who are not present when matters relating to their own compensation or contracts are discussed and decided), the Company Secretary, the Chief People Officer and the Global Reward and Performance Director. The latter two individuals provide a perspective on information reviewed by the Committee and are a conduit for requests for information and analysis from the Committee's external advisors.

EXTERNAL ADVISORS

The Committee retains WTW to act as independent advisors. They provide advice to the Compensation Committee and work with management on matters related to our compensation policy and practices. They are a member of the Remuneration Consultants Group and have signed the code of conduct relating to the provision of advice in the UK. Considering this, and the level and nature of the service received, the Committee remains satisfied that the advice is objective and independent. WTW provides limited other services at a Group level and some of our operating companies engage them as advisors at a local level. In 2021, WTW received fees of £53,959 in relation to the provision of advice to the Committee. The Committee receives external legal advice, where required, to assist it in carrying out its duties.

DIRECTOR CHANGES DURING THE YEAR

There were no Executive Director changes during 2021.

ACTIVITY DURING THE YEAR

The key activities of the Compensation Committee are set out below. In addition to the specific items outlined, the Committee reviews any compensation matters relating to the Executive Directors and the Executive Committee, as well as all compensation governance matters.

2021

Q1

- Determined performance outcomes for 2016-2020 EPSP
- Consideration of 2020 STIP in the context of performance during the year and the impact of Covid-19 on wider stakeholders
- Setting targets for 2021 STIP and 2021 EPSP
- Consideration of the use of malus adjustments in respect of the previous CEO
- Reviewed and approved 2020 Compensation Committee Report

Q2

- Reviewed the CEO's salary
- Reviewed and approved proposed changes to ExCo salaries and compensation structure
- Received update on industry compensation practices
- Received an update on the wider workforce salary landscape

Q3

- Received an update on the wider workforce providing an overview of the diversity demographics and compensation of employees at WPP
- Received an update on emerging trends for the use of ESG metrics in incentives

Q4

- Received update on the performance of inflight EPSP awards
- Received update on executive compensation market trends, investor views and governance
- Reviewed and approved the proposed changes to the EPSP rules



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corporate-governance](https://wpp.com/about/corporate-governance)

STATEMENT OF SHAREHOLDER VOTING

The results of the shareholder vote at the Company's 2021 AGM in respect of the 2020 Compensation Committee Report is set out below along with the result of the vote on the Directors' Compensation Policy at the 2020 AGM:

Voting outcome for 2020 Compensation Committee Report (At 2021 AGM)

Resolution	Votes for		Votes against		Votes cast	Votes withheld
	Number	%	Number	%	Number	Number
To approve the Compensation Committee Report	957,496,840	98.44	15,129,720	1.56	972,705,014	613,013

Voting outcome for 2020 Compensation Policy (At 2020 AGM)

Resolution	Votes for		Votes against		Votes cast	Votes withheld
	Number	%	Number	%	Number	Number
To approve the Compensation Policy	885,129,086	90.76	90,096,398	9.24	975,225,484	14,009,046

EXECUTIVE DIRECTORS' TOTAL COMPENSATION RECEIVED (AUDITED)

Single total figure of compensation

		Base salary ² £000	Benefits £000	Pension £000	Total fixed £000	Short-term incentive £000		Long-term incentive ³ £000	Total variable £000	Other ³ £000	Total annual compensation £000
						Cash	Deferred				
Mark Read	2021	1,013	37	149	1,199	1,560	1,040	0	2,600	–	3,799
	2020	910	36	158	1,104	–	–	32	32	–	1,136
John Rogers ¹	2021	740	32	74	846	999	666	2,265	3,930	–	4,776
	2020	643	30	64	737	–	–	1,538	1,538	2,110	4,385

¹ John Rogers joined the Company on 27 January 2020. His base salary and benefits for that year reflect his time in role.


² Mark Read and John Rogers voluntarily reduced their base salary for a four-month period in 2020 as part of cost-reduction targets implemented during the Covid-19 pandemic.

³ John Rogers received buy-out awards to compensate for the forfeiture of incentive awards from his previous employer. In 2021 this comprised an EPSP which vested in March 2022 based on a performance period of 1 Jan 2019 to 31 Dec 2021 with a final vesting value of £2,265,468. See page 147 for further details. In 2020 this comprised cash of £1,457,538, restricted stock of £652,614 and an EPSP which vested in March 2021 based on a performance period of 1 Jan 2019 to 31 Dec 2020 with a final vesting value of £1,538,363.

● FIXED ELEMENTS OF COMPENSATION (AUDITED)

The Compensation Policy summaries below are from the 2020 Directors' Compensation Policy, as approved by shareholders, and represent the maximum levels applicable.

BASE SALARY


	Typically reviewed every two years but may be reviewed annually if the Committee deems appropriate	Salary levels and increases take into consideration: <ul style="list-style-type: none"> - Salary increases awarded across the Group - Individual performance - Levels in other companies of similar size, scope and complexity 	Increases for Executives will usually be aligned to the wider workforce which will reflect the performance of the Company, individual and local economic factors
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Mark Read's salary was last reviewed on appointment in September 2018. The review due in 2020 was postponed due to the impact of Covid-19 which drove a focus on cost reduction including the postponement of salary increases for all employees. When reviewing Mark's salary in 2021, the Committee took into consideration the external market in the UK as well as the global advertising and media sector; Mark's strong performance in role since his appointment; and salary increases across the wider workforce during the year.

	Effective date	Annual base salary £000	Base salary received in 2021 £000
Mark Read	1 June 2021	£1,040	£1,013
John Rogers	27 Jan 2020	£740	£740

The Committee agreed an increase of 6.7% to £1,040,000 effective from 1 June 2021 which was Mark's first increase in three years. Average annual salary increases in the UK were around 5.6% in 2021. However, individual increases varied based on several factors. Mark Read's increase was within the range of awards to other high-performing employees.


BENEFITS

	Fixed, non-itemised allowance enabling Executives to procure their own benefits as required	Allowance as follows: Maximum – £50,000 CEO – £35,000 CFO – £30,000	Reviewed periodically by the Committee
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In addition to the allowance received, the values disclosed include the value of expenses related directly to attendance at Board meetings. The expenses for Mark Read and John Rogers were £2,431 (£945 and £1,641 respectively in 2020). These values include the grossed-up cost of UK income tax and national insurance paid by the Company on behalf of the Directors.

	2021 Benefits £000
Mark Read	37
John Rogers	32


PENSION

	Contribution to a defined contribution retirement arrangement, or a cash allowance	<p>Opportunity is as follows:</p> <p>Executive Director – 10% of base salary</p> <p>Current:</p> <p>CEO – 12% of base salary reducing to 10% over the Policy period</p> <p>CFO – 10% of base salary</p>	Only base salary is pensionable
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In line with the plan to reduce Mark Read's pension to ensure alignment with the wider workforce by the end of the policy period, his pension was reduced to 12% during 2021 and will reduce further to 10% by the end of 2022.

	Contractual pension (% of base salary)	2021 Pension £000
Mark Read	12	149
John Rogers	10	74

● SHORT-TERM INCENTIVE (AUDITED)

	<p>Maximum opportunity – 250% of base salary</p> <p>Target opportunity – 50% of the maximum opportunity</p>	<p>Financial measures may represent a minimum of 75% of the award and a maximum of 100%</p> <p>Individual strategic or non-financial objectives may represent up to 25% of the award</p>	<p>At least 40% of the STIP payout is deferred into shares, vesting after two years</p>	<p>Deferred shares are subject to malus provisions</p> <p>Cash bonus is subject to clawback provisions</p>
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2021 STIP OUTCOME

	Maximum bonus (% of salary)	2021 STIP (% of maximum)	2021 STIP (% of base salary)	2021 STIP (£000)
Mark Read	250	100	250	2,600
John Rogers	225	100	225	1,665

PERFORMANCE AGAINST 2021 FINANCIAL OBJECTIVES (75% OF AWARD)

The financial bonus targets and outcomes for the year are set out in the table below. Performance against all financial objectives is calculated on a 'like-for-like' basis other than headline operating margin which is calculated on a constant currency basis.

Measure	Weighting (as portion of financial element)	Threshold (0% payable)	Target (50% payable)	Maximum (100% payable)	Actual performance	% of award achieved
Like-for-like headline operating profit growth	1/3	5.0%	10.0%	15.0%	26.8%	25%
Headline operating margin improvement	1/3	0.25%	0.75%	1.25%	1.7%	25%
Like-for-like revenue less pass-through costs growth	1/3	2.0%	4.0%	6.0%	12.1%	25%
Total achieved						75%

PERFORMANCE AGAINST 2021 INDIVIDUAL STRATEGIC OBJECTIVES (25% OF AWARD)

Non-financial performance is assessed using a scorecard of measures with four categories: Client; People and DE&I; Purpose and Reputation; and Strategic Priorities. The Committee has assessed performance against these targets holistically to inform its decision on each Executive's non-financial performance.

NON-FINANCIAL PERFORMANCE APPLICABLE TO BOTH EXECUTIVE DIRECTORS

Personal measures 2021	Area	2021 performance
Purpose and Reputation – Aligned to the Company's sustainability strategy, the management of governance and controls as well as industry achievements and awards	Sustainability	<ul style="list-style-type: none"> – Established an industry-leading target to achieve net zero carbon emissions in our operations by 2025 and across our supply chain by 2030. See page 76 for details – Work continued to remove plastics which cannot be reused, recycled or composted across our campuses and offices worldwide – Amended and supplemented our \$2.5 billion revolving credit facility to link the margin on the facility to specific sustainability measures
	Creative reputation	<ul style="list-style-type: none"> – WPP named most creative company of the year at the Cannes Lions International Festival of Creativity and WPP agencies collected a total of 190 Lions with winners representing 38 different countries – WPP topped all three categories in the global WARC Rankings 2021 for creativity, effectiveness and media excellence
	Governance and controls	<ul style="list-style-type: none"> – Enhanced the review and referral process for accepting new clients and work that may present an ethical risk. See page 83 for more details of our standards, policies and procedures – Rolled out the enhanced control framework for SOX developed in 2020

MARK READ – NON-FINANCIAL PERFORMANCE

Personal measures 2021	Area	2021 performance
Client – relating to new business and client satisfaction	Client satisfaction	<ul style="list-style-type: none"> – Maintained the record-high client satisfaction score based on Likelihood to Recommend of 8.1 out of 10 in 2021. See page 57 for details
	New business	<ul style="list-style-type: none"> – Achieved industry-leading new business performance in 2021 with \$8.7 billion of net new billings, surpassing the (also industry-leading) \$4.4 billion achieved in 2020 – Appointed Global Marketing Network Partner to The Coca-Cola Company and won and retained a series of other global client assignments including with Google and Unilever – WPP ranked top of the R3 global and US holding company rankings for 2021, as well as top in the creative and media new business rankings
People and DE&I – improvements in relation to diversity and delivery of our people strategy	Inclusive culture	<ul style="list-style-type: none"> – Launched and developed a number of initiatives across our agencies to foster an open and inclusive culture. See pages 52-55 for details – We continue to focus on driving greater gender balance throughout the Company with women in Executive Committee and Direct Reports at 42.9% (35.8% in 2020) as reported in the Hampton Alexander Review – Placed DE&I at the centre of our recruitment and development processes, using analytics to provide a more inclusive employee experience. Formed partnerships with several leading diversity and inclusion organisations and funded a number of local initiatives to advance racial equity. For more information see the Communities section of the Sustainability Report 2021
	Employee engagement	<ul style="list-style-type: none"> – WPP Pulse, our first global company-wide engagement survey, was rolled out in 2021, with more than 43,000 participants across over 100 countries. See page 52 for details

Personal measures 2021	Area	2021 performance
Strategic priorities – in relation to our Group-wide transformation	Focus on high-growth areas	<ul style="list-style-type: none"> – Increased the share of revenue from the high-growth, future-facing areas of experience, commerce and technology – Made strategic investments to build capabilities in key areas acquiring a number of technology, digital innovation and data companies including Satalia, Cloud Commerce Group and Made Thought – Created a commerce-as-a-service platform to complement our broader expertise in commerce, and further innovation in our market-leading programmatic and connected TV businesses, Xaxis and Finecast – We have made significant investment in training for our leaders and employees on commerce and technology
	Continued simplification of WPP	Continued to integrate our portfolio of agencies further in 2021 and acquired the minorities in WPP AUNZ. Created the world's leading board-level communications firm through the merger of Finsbury Glover Hering and Sard Verbinen
	Transformation programme	The transformation programme remains on track with around £245 million of gross annual savings achieved so far against a 2019 base

JOHN ROGERS – NON-FINANCIAL PERFORMANCE

Personal measures 2021	Area	2021 performance
Client – relating to new business and client satisfaction	Profitability	A strong focus on client profitability, including an improvement in data quality and the visibility of client profitability and actions to drive profit as well as enhancing pricing discipline and governance by implementing new policies and alternative value-based pricing models
People and DE&I – improvements in relation to diversity and delivery of our people strategy	Diversity of the senior finance leadership	Ensured an inclusive culture is a priority across the Company, as has been discussed elsewhere in this report. Female representation in the senior finance team has increased over the last two years, with women now representing 35% of the team
	Development	Providing career development opportunities and training has been a priority. Within the finance team, we have built an understanding of our training needs and developed a foundation for the finance team training programme including: SOX training, senior finance team development and change management training
	Campus programme	Our campus programme continues to be executed in line with the plan, with the addition of nine campuses delivered in 2021, taking the total to 31
Strategic priorities – in relation to our Group-wide transformation	Delivery against the transformation programme	<ul style="list-style-type: none"> – Good progress on the transformation programme with around £245 million of gross annual savings achieved so far against a 2019 base – Significant groundwork undertaken to modernise our approach to finance and IT and move to a more standardised approach, including network infrastructure, cloud acceleration and platform rationalisation – The shared services programme is progressing, with a significant portion of finance processes migrated from the UK to Mumbai, and new deployments in the Middle East, Asia and Latin America – Cash management: working capital improved by \$500m, \$750m of cash centralised in 2021 on top of \$800m in 2020

● SHORT-TERM INCENTIVE WEIGHTINGS AND MEASURES FOR 2022

The Committee has reviewed the performance objectives for 2022 to ensure continued alignment with Company strategy. The Group financial measures remain headline operating profit growth, headline operating profit margin improvement and revenue less pass-through costs growth. Non-financial performance continues to be measured based on a scorecard including the following metrics: Client – relating to new business and client satisfaction; People and DE&I – this will include improvements in relation to diversity as well as the delivery of our people strategy; Purpose and Reputation – aligned to the Company's sustainability strategy, the management of governance and controls as well as industry achievements and awards; and Strategic Priorities – in relation to our Group-wide transformation.

The Committee is of the view that the specific targets for the STIP are commercially sensitive and it would be detrimental to the Company to disclose them in advance of, or during, the relevant performance period. To the extent targets are no longer commercially sensitive they will be disclosed at the end of the relevant performance period in that year's Annual Report, as we have done in previous years.

● LONG-TERM INCENTIVES (AUDITED)

VESTING OF 2017-2021 EPSP AWARDS

Vesting of the 2017 EPSP awards was dependent on performance against three measures, all assessed over a five-year period:

- WPP's relative TSR, measured in common and local currency, against a custom group of WPP's comparators (Dentsu, Interpublic, Ipsos, Nielsen, Omnicom and Publicis – GfK and Havas were removed from the peer group as they were subject to complete acquisitions in 2017 and were listed for less than 40% of the performance period), weighted by their respective market capitalisation
- Compound annual growth in headline EPS
- Average ROE

Performance against all three measures was below the threshold required for vesting.

Performance measure	Weighting	Threshold %	Maximum %	Actual %	% of maximum achieved
Relative TSR (common currency)	1/3	50% of weighted peer group outperformed	90% of weighted peer group outperformed	37	0.0
Relative TSR (local currency)				32	
EPS growth	1/3	7.0	14.0	-7.1	0.0
Average ROE	1/3	15.0	18.0	14.5	0.0
Total vesting (% of maximum)					0.0

	Number of shares awarded	Additional shares in respect of dividend accrual	Number of shares vesting	Share price on vesting	Value of vested 2017-2021 EPSP awards £000
Mark Read	106,498	0	0	n/a	0

VESTING OF BUY-OUT AWARDS


John Rogers received buy-out awards on appointment to compensate for the forfeiture of incentive awards from his previous employer (full disclosure is included on page 147 of the 2020 Compensation Committee Report). The second of the EPSP awards granted to John Rogers has vested at 88.5% following performance in between threshold and maximum of the TSR performance measure. The Committee has the discretion to determine the extent to which the award will vest if an average ROIC of 7.5% over the performance period is not achieved. However, this was not required as the ROIC threshold was met.

	Weighting	Threshold (15% payable)	Maximum (100% payable)	Actual performance	Vesting
Relative TSR common currency	50%	50% of weighted peer group outperformed	90% of weighted peer group outperformed	86%	90%
Relative TSR local currency	50%			84%	86%
Average ROIC	Underpin	Average ROIC of 7.5%		8.8%	–
Total vesting (as a % of maximum)					88.5%

	Number of shares awarded	Additional shares in respect of dividend accrual	Number of shares vesting	Share price on vesting ¹	Value of vested shares ¹ £000
John Rogers	243,934	9,091	224,972	£10.070	2,265

¹ The share price increased 72% between the grant and vest dates for this award. £948,482 of the total value of vested shares is attributable to share price appreciation.

2021 EPSP AWARDS GRANTED

	Maximum opportunity – 400% of base salary	1/3 ROIC	Three-year performance period plus two-year holding period	Subject to malus and clawback provisions Awards accrue dividends
	Threshold performance will result in 20% vesting increasing on a straight line basis to 100% for maximum performance	1/3 AFCF 1/3 TSR		

In 2021, the Executive Directors were granted awards under the EPSP as approved by shareholders in 2020. In previous years, awards have been made in the latter half of the year. The Committee agreed that awards will be made in March going forwards aligning to a more typical compensation calendar. The performance measures are ROIC, AFCF and relative TSR. Proposed targets were developed based on detailed medium-term financial plans and robust modelling, with reference to analyst consensus estimates.

Definition of measure

Relative TSR	TSR performance is compared to that of five comparators: Dentsu, IPG, Omnicom, Publicis and the FTSE 100 Index. Each comparator carries an equal weighting. TSR performance is calculated both in common and local currency (weighted equally). Using a dual basis ensures that the interests of both local and international investors are reflected in the performance measures.
AFCF (Adjusted free cash flow)	A cumulative AFCF for each of the three years in the performance period. Adjusted free cash flow is calculated as cash generated by operations plus dividends received from associates, interest received, investment income received, and proceeds from the issue of shares, less interest and similar charges paid, dividends paid to non-controlling interests in subsidiary undertakings, repayment of lease liabilities (including interest), and purchases of property, plant and equipment and purchases of other intangible assets over the course of the performance period.
ROIC (Return on invested capital)	An average of the year end ROIC for each of the three years in the performance period calculated as: Headline operating profit/Invested capital Where invested capital = (Opening net assets + closing net assets)/2 + average net debt + average lease liabilities (opening lease liabilities + closing lease liabilities)/2

The table below summarises the awards granted and the performance conditions against which participants will be measured.

Awards granted in 2021	Basis and level of award (% of salary)	Number of shares awarded	Face value at date of grant ¹ £000
Mark Read	350	369,278	3,412
John Rogers	300	240,233	2,220

Performance measure	Relative TSR	AFCF	ROIC
Weight	One-third	One-third	One-third
Nature	Relative to peers	Cumulative	Average
Performance zone (threshold to maximum)	Median to upper decile	£2,100m-£2,900m	14.1%-15.9%
Payout	For performance below threshold there is nil vesting. 20% vesting occurs at threshold performance, 100% vesting at maximum performance and straight-line vesting between threshold and maximum		
Performance period	1 January 2021 to 31 December 2023		
Holding period	1 January 2024 to 31 December 2025		

¹ Awards were granted on 28 March 2021. Face value is calculated based on the five-day average share price preceding the date of award (£9.241).

● EPSP MEASURES AND TARGETS FOR 2022

The table below shows the targets against which performance will be measured for the awards granted in 2022. The Committee considers the measures and targets set to be appropriate and challenging.

Performance measure	Relative TSR	AFCF	ROIC
Weight	One-third	One-third	One-third
Nature	Relative to peers	Cumulative	Average
Performance zone (threshold to maximum)	Median to upper decile	£2,300m – £3,100m	16.5%-18.5%
Payout	For performance below threshold there is nil vesting. 20% vesting occurs at threshold performance, 100% vesting at maximum performance and straight-line vesting between threshold and maximum		
Performance period	1 January 2022 to 31 December 2024		
Holding period	1 January 2025 to 31 December 2026		

As set out in the Chair's letter, in making the decision on the level of EPSP award made to the CEO, the Committee considered a number of factors, namely performance, retention and remaining market-competitive. The CEO's performance since being appointed to the role in 2018 has been outstanding. He is leading WPP through a multi-year transformation successfully in a challenging environment, creating growth for shareholders. A market-competitive package with a long-term incentive that continues to be subject to stretching, meaningful and transparent performance conditions aligns Mark's interests to those of WPP and its shareholders.

In considering a higher award, the Committee made reference to market data to validate whether an increase was appropriate through that lens too. This demonstrated that the CEO's current compensation is below median against the FTSE 50, and falls significantly below the sectoral norms and our most directly comparable competitors, a pressure seen across the business. This data reinforced the Committee's decision to make an award of 390% of base salary, which is within the range approved by shareholders within our current Policy. The targets have been set to be stretching to recognise this level of award.

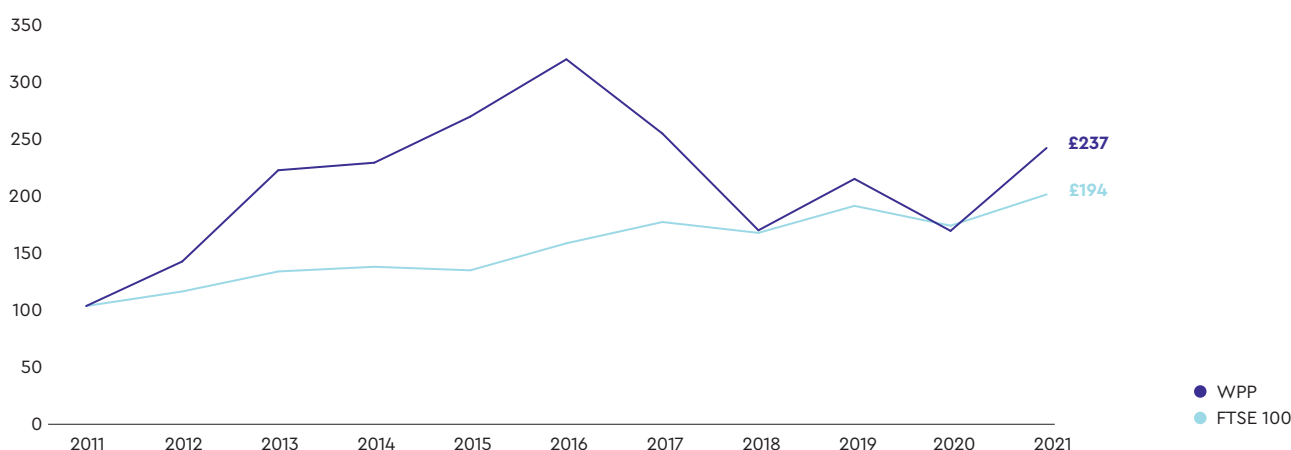
The award made to the CFO will be at the same level as prior awards at 300%.

ALIGNING PAY AND PERFORMANCE

As set out in the Directors' Compensation Policy, the Committee's objective is to align variable compensation with the key strategic priorities of WPP, maximising the dynamic between pay and performance.

The following graph and table demonstrate the relationship between pay and performance over the last ten years for the CEO. The graph shows WPP's performance against the performance of the FTSE 100 over the ten-year period to 31 December 2021. TSR is rebased to £100 from 1 January 2011 to show the value of a hypothetical £100 holding. The FTSE 100 has been chosen as a comparator as the Company has been a constituent member throughout the period. With respect to 2018, the pay for both the current and previous CEO is included separately.

HISTORICAL TSR PERFORMANCE¹



Source: S&P Capital IQ.

	2012	2013	2014	2015	2016	2017	2018 MSS ⁵	2018 MR ⁶	2019	2020	2021
CEO total compensation (£000) ²	17,543	29,846	42,704	70,409	48,148	13,930	3,085	965	2,594	1,136	3,799
Year-on-year change in CEO total compensation (%)	47	70	43	65	(32)	(71)	(78)	n/a	169 ⁶	(56)	234
Short-term incentive award against maximum (%)	62	82	72	86	60	0	0	30	55	0	100
Long-term incentive award against maximum (%)	86	87	100	100	100	73	33	33	15	5	0
Change in annual TSR (%) ³	38	56	3	18	19	(20)	(33)	(33)	27	(21)	43
Change in five-year TSR (%) ⁴	45	241	172	135	210	96	(1)	(1)	(4)	(44)	(29)

¹ Growth in the value of a hypothetical £100 holding over ten years versus the FTSE 100 (the broad market equity index of which WPP is a constituent) based on one month average of trading day values.

Source: CapIQ.

² Calculated based on the methodology used for disclosing compensation in the single figure of compensation table.

³ TSR calculated using a one month trading day average, consistent with the data shown in the graph.

⁴ TSR calculated using a six month averaging period, consistent with the applicable calculation methodology under the EPSP.

⁵ Sir Martin Sorrell (MSS) left the company on 14 April 2018; Mark Read (MR) was appointed as Chief Executive Officer from 3 September 2018.

⁶ Mark Read was appointed to the role of Chief Executive Officer in September 2018. The year-on-year change has been calculated based on the total compensation for this four-month period.

NON-EXECUTIVE DIRECTORS' FEES

Non-Executive Director policy

Base fees reflect the skills, experience and time required to undertake the role

Additional fees reflect additional time required in any additional duties for the Company

To enable the Chairman and Non-Executive Directors to undertake their roles

No element of pay is performance-linked

The fees due to Non-Executive Directors were reviewed and increased in 2021. The Chair of the Sustainability Committee's fee was reviewed and increased effective June 2021 and the Senior Independent Director's fee was reviewed and increased effective October 2021. The fees are shown in the table below:

	£000
Chairman	525
Non-Executive Director	85
Senior Independent Director	40
Chair of Audit or Compensation Committee	40
Chair of Nomination and Governance Committee ¹	15
Chair of Sustainability Committee ²	40
Member of Audit or Compensation Committee	20
Member of Nomination and Governance Committee	10
Member of Sustainability Committee	10

¹ The Nomination and Governance Committee is chaired by Roberto Quarta as part of his role as Chairman, no additional fee is paid.

² In prior years the Sustainability Committee has been co-chaired with each Chair receiving a fee of £15,000. The Committee now has a single Chair, who receives a fee of £40,000.

NON-EXECUTIVE DIRECTORS' TOTAL COMPENSATION RECEIVED (AUDITED)

The single figure table below details the value of fees and taxable benefits received by the Non-Executive Directors during 2021 while they held a position on the Board. The benefits amounts include the grossed-up cost of UK tax and national insurance paid by the Company on behalf of the Directors where applicable.

	Fees £000		Benefits £000		Total £000	
	2021	2020 ¹	2021	2020	2021	2020
Roberto Quarta	525	490	33	27	558	517
Angela Ahrendts ^{2,4}	95	41	1	0	96	41
Jacques Aigrain	145	135	3	2	148	137
Sandrine Dufour ^{2,4}	125	89	0	1	125	90
Tarek Farahat	105	98	0	0	105	98
Tom Ilube ^{2,4}	133	20	5	1	138	21
Cindy Rose ²	123	98	6	5	129	103
Nicole Seligman	147	135	0	1	147	136
Sally Susman ³	107	103	0	1	107	104
Keith Weed ³	114	93	8	5	122	98
Jasmine Whitbread	135	118	6	5	141	123
Dr. Ya-Qin Zhang, appointed 1 January 2021	85	n/a	0	n/a	85	n/a

¹ In 2020, the Non-Executive Directors took a voluntary 20% reduction in fees for four months between April and July 2020.

² Sandrine Dufour and Cindy Rose were appointed to the Compensation Committee effective 1 January 2021 and 5 February 2021 respectively. Tom Ilube was appointed to the Audit Committee and the Nomination Committee effective 1 January 2021 and the Compensation Committee effective 5 February 2021. Angela Ahrendts was appointed to the Sustainability Committee effective 1 January 2021.

³ Sally Susman stepped down as co-chair of the Sustainability Committee effective 8 June 2021, while remaining a member of that Committee. Prior to this date the Sustainability Committee was co-chaired by Sally Susman and Keith Weed.

⁴ Angela Ahrendts, Sandrine Dufour and Tom Ilube were appointed to the Board on 1 July 2020, 3 February 2020 and 5 October 2020.

PAYMENTS TO PAST DIRECTORS

No payments were made to past directors during the year.

EXECUTIVE DIRECTORS' INTERESTS (AUDITED)

Executive Directors' interests in the Company's ordinary share capital are shown in the following table. Other than as disclosed in this table, no Executive Director had any interest in any contract of significance with the Group during the year. Each Executive Director has a technical interest as an employee and potential beneficiary in shares in the Company held under the Employee Share Ownership Plan Trusts (ESOPs). More specifically, the Executive Directors have potential interests in shares related to the outstanding awards under the EPSP and outstanding ESAs. As at 31 December 2021, the Company's ESOPs (which are entirely independent of the Company and have waived their rights to receive dividends) held in total 5,803,641 shares in the Company (4,863,244 in 2020).

Director		Total beneficial interests	Shares without performance conditions (unvested) ¹	Shares with performance conditions (unvested) ^{2,3}	Total unvested shares	Shareholding requirements	
						% of base salary	Achieved/ On track
Mark Read	At 31 December 2021	512,292	97,523	1,672,916	1,770,439	600%	✓
	At 25 March 2022 ⁴	566,060	0	1,951,164	1,951,164		
John Rogers	At 31 December 2021	272,692	0	783,721	783,721	300%	✓
	At 25 March 2022 ⁴	391,715	0	750,373	750,373		

¹ For Mark Read, shares due pursuant to the 2019 Executive Share awards. Additional dividend shares will be due on vesting.

² Maximum number of shares due on vesting pursuant to the outstanding EPSP awards, full details of which can be found below. Additional dividend shares will be due on vesting.

³ As noted in footnote 2 above, less the maximum due under the 2017 EPSP award, and for John Rogers the remaining portion of his buy-out award, both of which lapsed/vested on 15 March 2021 (full details can be found on pages 146 and 147), plus the 2022 EPSP granted on 25 March 2022.

⁴ Total beneficial interests calculated at the last practicable date for this Annual Report.

SHAREHOLDING REQUIREMENTS

As detailed in the Directors' Compensation Policy, the Executive Directors are required to achieve a minimum level of shareholding of WPP shares. The Chief Executive Officer and Chief Financial Officer are required to hold shares to the value of 600% and 300% of base salary respectively. Both Directors have seven years from the date they were appointed to their respective roles in which to reach the required level.

As at 31 December 2021, the Chief Executive Officer held shares to the value of 538% of his base salary. At the same date, the Chief Financial Officer held shares to the value of 402% of his base salary. This was calculated based on the average share price for the last two months of the year.

OUTSTANDING SHARE-BASED AWARDS

The table below shows outstanding shares as at 31 December 2021. ESAs (Executive Share Awards) are granted under the WPP Stock Plan 2018. This is the stock component of the annual short-term incentive plan and granted subject to the achievement of performance measures prior to grant. EPSP awards (Executive Performance Share Plan) are subject to performance measures over the period stated below. Dividend shares will accrue on these awards.

	Award type	Grant date	Performance period	Share price on grant date	No. of shares granted	Vesting date
Mark Read	ESA	14.05.20	n/a	£5.502	97,523	07.03.2022
	EPSP	04.12.17	01.01.17-31.12.21	£12.911	106,498	15.03.2022
		06.12.18	01.01.18-31.12.22	£8.604	396,617	15.03.2023
		24.09.19	01.01.19-31.12.23	£10.035	340,059	15.03.2024
		24.11.20	01.01.20-31.12.22	£7.411	460,464	15.03.2023
		28.03.21	01.01.21-31.12.23	£9.241	369,278	15.03.2024
John Rogers	EPSP	14.05.20 ¹	01.01.19-31.12.21	£5.854	243,934	15.03.2022
		24.11.20	01.01.20-31.12.22	£7.411	299,554	15.03.2023
		28.03.21	01.01.21-31.12.23	£9.241	240,233	15.03.2024

¹ The EPSP award made in May 2020 was made by way of a buy-out award. The terms of the award are consistent with those applicable to the 2019 EPSP awards other than the performance period which is shortened to three-years to mirror the time horizon of the award being bought out.

NON-EXECUTIVE DIRECTORS' INTERESTS (AUDITED)

Non-Executive Directors' interests in the Company's ordinary share capital are shown in the following table. Except as disclosed in this table, no Non-Executive Director had any interest in any contract of significance with the Group during the year.

Non-Executive Director	Total interests at 31 December 2021	Total interests at 25 March 2022 ¹
Roberto Quarta	87,500	87,500
Angela Ahrendts	12,571	12,571
Jacques Aigrain	34,000	34,000
Sandrine Dufour	15,000	15,000
Tarek Farahat	3,775	3,775
Tom Ilube	4,335	5,335
Cindy Rose	8,000	8,000
Nicole Seligman	8,750	8,750
Sally Susman	5,000	5,000
Keith Weed	8,424	8,424
Jasmine Whitbread	5,833	8,735
Dr. Ya-Qin Zhang	0	0

¹ Total beneficial interests calculated at the last practicable date for this Annual Report.

COMPENSATION IN THE WIDER CONTEXT

When setting the Directors' Compensation Policy and making decisions in relation to executive compensation, the Compensation Committee considers the wider workforce and the broader compensation context. The Committee places significant value on the views of employees and has facilitated the engagement with the Workforce Advisory Panel (WAP) on compensation matters at the executive level and throughout the organisation. This included the Compensation Committee Chair and the Global Reward and Performance Director's attendance at a WAP meeting to discuss how executive compensation aligns with wider Company compensation policies. Further information on the Workforce Advisory Panel can be found in the Nomination Committee report on page 124.

The Committee also receives regular updates on compensation for the wider workforce to ensure that pay for Executives is set against this backdrop. In 2021 the Committee focused on the approach to salary reviews across the networks, as well as receiving employee demographics and compensation structures and data for consideration of pay gap reporting.

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table sets out the percentage change in total staff costs, headcount, dividends and share buybacks.

	2021	2020	% change
Total staff costs (continuing operations)	£7,166.7m	£6,556.5m	9.3
Headcount – average over year	104,808	104,163	0.6
Dividends and share buybacks	£1,133.2m	£412.2m	174.9

ANNUAL PERCENTAGE CHANGE IN COMPENSATION OF DIRECTORS AND EMPLOYEES

The table overleaf shows the annual change in each individual Director's pay for 2021 and 2020. The changes reflect the impact of the Directors' voluntary four-month 20% salary/fee reduction in 2020, implemented as part of cost reduction targets during Covid-19. Since WPP plc, the statutory entity for which this disclosure is required, does not have any employees, the table includes a voluntary disclosure of the annual average change for employees of the UK head office.

Mark Read received a base salary increase of 6.7% effective from 1 June 2021 (see page 142) his first increase in three years. The overall change in salary for 2021 reflects both this increase and the voluntary salary reduction taken in 2020.

John Rogers joined the Company on 27 January 2020 and his salary and benefits for 2020 were prorated accordingly. John did not receive a salary increase during 2021. The change in salary for 2021 reflects both the prorated 2020 values and the voluntary salary reduction in 2020.

Non-Executive Director fees were reviewed during the year and the Chair of the Sustainability Committee and the Senior Independent Director's fees were increased from June 2021 (see page 150). The individual increases in fees for 2021 shown below also reflect the prorating of fees for new appointments, changes to the membership of committees and the voluntary fee reductions taken in 2020.

In line with the regulations, the annual change in bonus for the Executive Directors is based on the bonus earned in respect of the financial year, as disclosed in the single total figure of compensation, not the bonus paid in the year. As the Executive Directors did not receive a bonus in respect of 2020 it is not possible to calculate a percentage change between 2021 and 2020. The annual change in average employee bonus is based on the bonus paid in each financial year. This reflects the timing of payments and the availability of the information to calculate the average employee values.

	2020 – 2021			Year-on-year change in pay 2019 – 2020		
	Base salary/Fees % change	Benefits % change	Annual bonus % change ^{1,2}	Base salary/Fees % change	Benefits % change	Annual bonus % change ¹
Executive Directors						
Mark Read ³	11.3	4.0	–	(6.7)	0.0	(100)
John Rogers ⁴	15.1	8.1	–	n/a	n/a	n/a
Non-Executive Directors						
Roberto Quarta	7.1	19.6		(2.0)	(51.9)	
Angela Ahrendts ⁵	131.2	n/a		n/a	n/a	
Jacques Aigrain	7.1	53.1		(6.9)	(73.3)	
Sandrine Dufour ⁵	40.1	(48.4)		n/a	n/a	
Tarek Farahat	7.1	(65.0)		(6.7)	(57.2)	
Tom Ilube ⁵	554.5	429.6	Non-Executive Directors do not receive variable compensation	n/a	n/a	Non-Executive Directors do not receive variable compensation
Cindy Rose	25.6	21.5		24.1	113.8	
Nicole Seligman	8.7	(78.6)		(6.9)	47.2	
Sally Susman	4.4	(71.3)		5.1	135.3	
Keith Weed	22.2	40.2		447.1	820.9	
Jasmine Whitbread	14.5	21.6		218.9	1,318.1	
Dr. Ya-Qin Zhang ⁵ , appointed 1 January 2021	n/a	n/a		n/a	n/a	
Average UK head office employees⁶	2.5%	0.0%	(49.5)%	1.2%	0.0%	23.6%

¹ The annual percentage change in bonus is calculated by reference to the bonus payable in respect of the financial year ended 31 December 2021 compared to the financial year ended 31 December 2020 for Executive Directors, and by reference to cash bonus payments received during the financial year ended 31 December 2021 in comparison to the financial year ended 31 December 2020 for the UK head office employees. Non-Executive Directors do not receive variable compensation.

² As the Executive Directors did not receive a bonus in respect of the financial year ended 31 December 2020, it is not possible to calculate a percentage change in between 2020 and 2021.

³ Mark Read took a voluntary 20% salary reduction for a period of four months in 2020 as part of cost reduction targets implemented during Covid-19, this together with a salary increase after 3 years is reflected in the changes shown.

⁴ John Rogers joined the Company on 27 January 2020 and his salary and benefits in 2020 were prorated accordingly. There have been no changes to his contractual salary since appointment. Changes reflected above are a result of a prorated salary in 2020 and a voluntary 20% salary reduction for a period of four months in 2020 as part of cost reduction targets implemented during Covid-19.

⁵ Angela Ahrendts, Sandrine Dufour, Tom Ilube and Dr. Ya-Qin Zhang were appointed to the Board on 1 July 2020, 3 February 2020, 5 October 2020 and 1 January 2021 respectively.

⁶ Based on full-time equivalent comparisons. Average is calculated by reference to the median percentage change. Due to the timing of annual bonus payments, the change in average employee annual bonus of -49.5% reflects the change between the bonus paid in respect of 2020 performance (paid in 2021) and 2019 performance (paid in 2020) and is therefore not directly comparable to Executive Director bonus awards made in respect of 2021 performance (paid in 2022) and 2020 performance (where nil was paid in 2021).

CEO PAY RATIO

The ratios shown in the table below compare the total compensation of the CEO (as shown in the single figure table on page 141) to the compensation of the median UK employee and those at the lower and upper quartile.

Year		Methodology used	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2021	Total compensation	Option B	101:1	79:1	55:1
2020	Total compensation	Option B	36:1	24:1	15:1
2019	Total compensation	Option B	79:1	55:1	34:1

Given the complexity of WPP and the number of payrolls used across the UK Group, Option B (using the gender pay gap information to identify three employees as the best equivalents of the 25th, 50th and 75th percentile employees) was the most appropriate methodology to use to determine the CEO pay ratio. We believe this approach provides accurate information and representation of the ratios. The latest data collected as part of gender pay reporting was used, with a snapshot date of 5 April 2021. The ratio has been computed taking into account the pay and benefits of over 10,000 UK employees, other than the role of the CEO. Where an employee works part-time, fixed pay, benefits,

and any variable pay were adjusted, where appropriate, to reflect full-time equivalent compensation. The 25th, 50th and 75th percentile employees were determined based on this adjusted data and are considered to be representative. Total compensation for 2021 was calculated using single figure table methodology for these employees in order to provide a meaningful comparison with the CEO. We are satisfied that the median pay ratio is consistent with the compensation policies for our UK workforce taken as a whole and our objective of delivering market competitive pay for each role.

The salary and total pay and benefits for the 25th, 50th and 75th percentile employees are shown in the table below:

Year	Methodology used	25th percentile pay	50th percentile pay	75th percentile pay
2021	Salary	£32,067	£44,250	£61,500
	Total pay and benefits	£37,606	£48,293	£68,583
2020	Salary	£30,000	£45,000	£71,000
	Total pay and benefits	£31,800	£46,800	£73,840
2019	Salary	£31,000	£44,739	£70,000
	Total pay and benefits	£32,636	£46,975	£77,416

The pay ratio reflects how the structure and approach to compensation changes with increased seniority and accountability within the Group and is therefore consistent with pay, reward and progression policies. The CEO's pay is significantly weighted towards performance-related pay with a focus on aligning with long-term performance and the interests of shareholders. 2021 was a year of outstanding performance resulting in an increase in the CEO's total compensation largely related to incentive awards compared with the prior year, reflecting WPP's pay-for-performance philosophy. At the 25th, 50th and 75th percentile employee level, variable compensation carries a much smaller weighting. Consequently, the CEO pay ratio has increased since 2020.

SHARE-BASED COMPENSATION BELOW THE BOARD

The Company uses share-based compensation programmes to incentivise and retain employees, recruit new talent and encourage a strong ownership culture among employees. The use of the core share plans in 2021 is described below.

WPP STOCK PLAN 2018 (WSP)

The WPP Leader programme made awards under the WSP to around 1,800 of our key executives in 2021. Awards vest three years after grant, provided the participant is still employed within the Group. In addition, senior executives have part of their annual bonus paid in the form of Executive or Performance Share Awards that vest two years after grant.

The Executive Directors' Executive Share Awards are granted under the WSP. No further awards are made to Executive Directors.

All awards granted under the WSP are subject to malus and clawback conditions.

WPP SHARE OPTION PLAN 2015

During 2021, the WPP Share Option Plan 2015 was used to make awards to over 43,000 employees. By 31 December 2021, options under this plan, and its predecessor, the Worldwide Ownership Plan, had been granted to approximately 206,000 employees over 105 million shares since March 1997.

While the Share Option Plan provides the authority to make executive option awards, in addition to all employee awards, no awards were granted in 2021. The Executive Directors do not participate in this plan.

SHARE INCENTIVE DILUTION FOR 2011 TO 2021

The share incentive dilution level, measured on a ten-year rolling basis, was at 2.9% at 31 December 2021 (2020: 2.8%). It is intended that awards under all plans, other than share options, will all be satisfied with purchased shares held either in the ESOPs or in treasury.

Jasmine Whitbread

Chair of the Compensation Committee
on behalf of the Board of Directors of WPP plc
31 March 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The Directors have elected to prepare financial statements for the Group in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as they apply to the financial statements of the Group for the year ended 31 December 2021. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the Preparation and Presentation of Financial Statements".

In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures, when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report and Directors' Compensation Report.

The Directors are responsible for the maintenance and integrity of the Company website. Jersey legislation and UK regulation governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

The Directors confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that he or she ought to have taken, as a Director, in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In accordance with the principles of the UK Corporate Governance Code, the Board has established arrangements to evaluate whether the information presented in the Annual Report is fair, balanced and understandable; these are described on page 126.

The Board considers the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The letters from the Chairs of the Sustainability, Nomination and Governance, Audit and Compensation Committees, the statements regarding Directors' responsibilities and statement of going concern set out above and the Directors' remuneration and interests in the share capital of the Company are included in the Directors' report, which also includes the Strategic Report and Corporate Governance sections.

By Order of the Board

Balbir Kelly-Bisla
Company Secretary
31 March 2022