



CORPORATE GOVERNANCE

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CHAIRMAN'S LETTER



REMEMBERING GORDON STEVENS

Gordon Stevens, Chairman of WPP 1992-96, died on 10 September 2019, aged 93.

Mr Stevens, as a young director of a Unilever subsidiary, commissioned, in 1955, the first-ever television commercial aired in the UK. Many years later, having been Director of Marketing for the Unilever Group, he was Chairman of Unilever United States in which role he gave his crucial support to WPP's acquisition of J. Walter Thompson.

After retiring from Unilever, Mr Stevens was offered the chairmanship of WPP when it was facing a major restructuring after a significant fall in its share price. Mr Stevens accepted the challenge, against the recommendation of many of his friends and former colleagues, and helped to persuade the institutional shareholders to back the Company. By the time of his retirement, aged 70, WPP's share price had increased over five-fold.

He was a man of exceptional experience: deceptively shrewd and boundlessly good-natured. We remember Mr Stevens with respect, gratitude, and much affection.

The terrible human cost and economic impact of the coronavirus pandemic means we are looking at everything through a new lens.

As our Chief Executive's opening statement in this report makes clear, our people have responded magnificently to the crisis, displaying great resilience, dedication and concern for their colleagues. On behalf of the Board, I would like to thank them all.

WPP and its agencies have done what they can to help fight the spread of the disease and support national and international institutions, including working on a pro bono basis with the World Health Organization to deliver campaigns around the world.

We have also taken a number of steps to secure the position of the Company, and minimise the financial effects of the pandemic on our people, including suspending the share buyback programme and final dividend, reducing costs and introducing a voluntary salary sacrifice scheme for the Board, Executive Committee and other senior leaders.

The Board and executive team is working hard to serve the interests of all our stakeholders, and constantly reviewing the actions necessary to ensure the continued strength of the Company.

This 2019 Annual Report by definition deals primarily with events that took place before the coronavirus outbreak.

As we look back at 2019, the consistent theme was the Company's delivery against its stated goals and the progress of the three-year transformation plan.

In the first year of the new strategy, WPP met the financial guidance it set at the Investor Day in December 2018, achieved its restructuring targets and – with a more streamlined portfolio and refreshed offer to clients – made sure it was in the right shape for the future.

The Company's renewed focus on creativity, technology and talent was rewarded with a steady stream of new business wins, followed by Intel at the start of this year, as clients responded positively to WPP's new offer and approach.

Notable events included the successful completion of the Kantar transaction – ahead of schedule – which reduced WPP's leverage to the lower end of the target range. Net debt at the year-end was £1.540 billion, down £2.313 billion from the beginning of the year in constant currency as a result of disposals and strong cash generation.

In these uncertain times, we find considerable reassurance in the strength of our balance sheet following the Kantar sale, and the underlying strength of our business following the restructuring of the last 18 months or so.

Since my appointment as Chairman, we have proactively reviewed the Board's non-executive membership to ensure that it has the expertise, diversity and experience required to support the transformation and success of WPP.

In the last year we have made several new appointments and at our 2020 Annual General Meeting we will say farewell to a number of long-serving directors.

Sol Trujillo has served on the Board for nine years and will not be standing for re-election. His international experience gained over three decades as chief executive of global companies has been of great value to WPP, as have his contributions as a member of the Audit Committee.

Sir John Hood has brought his knowledge and experience of international business and higher education to the Board since 2014. As Chair of the Compensation Committee Sir John has overseen a comprehensive re-evaluation of the Directors' Compensation Policy alongside extensive consultation with shareholders. He will also stand down at the AGM.

Since Daniela Riccardi, CEO of international luxury goods company Baccarat, joined the Board in 2013, WPP has benefited from her wealth of expertise in global FMCG, retail and fashion businesses. She has been a valued member of the Nomination and Governance Committee and one of our Non-Executive Directors responsible for engagement with our people. She, too, will not stand for re-election.

We thank Sol, Sir John and Daniela for their service and contribution to WPP.

We also say goodbye to two other longstanding colleagues.

Paul Richardson's retirement from WPP was announced towards the end of 2018. He kindly agreed to stay on until the publication of this Annual Report, and to facilitate the handover to his successor as Chief Financial Officer, John Rogers.

Paul has made a very significant contribution to WPP's success over nearly three decades with the Company, and he leaves with our best wishes and thanks.

Our Company Secretary, Marie Capes, who has been with WPP since its earliest days, decided in 2019 that she would step down from her current roles in 2020. The hallmark of her 34 years with WPP has been her complete dedication to the Company, and both the Board and the executive team would like to express their gratitude for everything she has done.

Marie hands over to new Company Secretary Balbir Kelly-Bisla, who joined us in April from William Hill plc where she held the same role.

We welcomed John Rogers to the Board in February. He was previously Chief Executive Officer of Sainsbury's Argos, where he led the digital transformation of one of the UK's leading technology-driven businesses. Before that he was Chief Financial Officer

of J Sainsbury plc from 2010 to 2016, responsible for business strategy, new business development, Sainsbury's Online, operational efficiency and Sainsbury's Bank, in addition to core finance functions.

Our new Non-Executive Directors bring valuable new skills to the Board, in addition to those we need to replace as other directors conclude their terms.

The most recent appointee, Sandrine Dufour, provides important sectoral insight and expertise from her background in telecommunications, entertainment and media. Sandrine, who joined the Board in February 2020, will become Executive Vice President and Chief Financial Officer of UCB, the global biopharmaceutical company, on 1 July 2020. Until then she is Chief Financial Officer of Proximus, the Belgian telecommunications company. Prior to that she held various senior roles at Vivendi. Sandrine has joined our Audit Committee.

During 2019, we were joined by Cindy Rose OBE, CEO of Microsoft UK where she has responsibility for all of the company's product, service and support offerings. Cindy is one of the technology industry's leading figures, with extensive experience of consumer businesses and technology-driven transformation. Cindy has held leadership roles at Vodafone, Virgin Media and The Walt Disney Company. She is also a member of our Audit Committee.

Jasmine Whitbread began her career in international marketing in the technology sector before taking leadership roles at Oxfam and Save the Children, where she revitalised one of the UK's most established charities before taking on the role of International CEO. She is currently Chief Executive of London First and a Non-Executive Director of Standard Chartered plc. Jasmine joined our Compensation and Sustainability Committees.

Keith Weed, one of the world's most influential and respected marketers, brings deep understanding of our business and how it is being changed by technology. His most recent executive role was Chief Marketing and Communications Officer of Unilever, which included leading the company's ground-breaking sustainability programme.

Keith is co-Chair of our new Sustainability Committee with Sally Susman.

The establishment of our first committee dedicated to sustainability at Board level underlines the fact that it has never been more important to our business – or to our clients, shareholders and stakeholders as a whole.

The new committee will consider the impact of WPP's own operations and our agencies' work for clients, and assess the Company's progress against the new targets set out in the 2019 Sustainability Report. WPP starts from a strong foundation, as a recognised leader in its sector. Our CEO outlines our performance over the last year in the introduction to this Annual Report.

WPP's new leadership team has placed a strong emphasis on the importance of purpose and a positive and values-led culture. Part of that is a commitment to ensure inclusive and diverse teams throughout the business, and the Board needs to set the standard in that regard.

I am pleased to report that the proportion of female directors has risen from 33% at the time of my last letter to 40% as I write this. Our ambition is that the figure will reach parity in the short term.

This is an important sign of our priorities as a company and our direction of travel, even as there remains work to do to create a more equal organisation at every level.

Any business that wants to be an employer of choice for outstanding people needs to display leadership and progress in these areas, and outstanding people are the reason clients continue to seek out and value our services.

As ever, the Board is very grateful for their commitment and their talent. What they do will be in high demand as societies and economies recover from the present crisis.



Roberto Quarta
Chairman
29 April 2020

OUR BOARD



ROBERTO QUARTA CHAIRMAN

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

Roberto has extensive and diverse experience in corporate governance and global commerce.

He is Partner and Chairman of Clayton, Dubilier & Rice Europe, a private equity firm, which allows him to bring valuable perspective to WPP, particularly when evaluating acquisitions and new business opportunities.

Roberto has an in-depth understanding of differing global governance requirements having served on the boards of a number of UK and international companies, including as Chairman of BBA Group plc, IMI plc and Rexel SA and as Non-Executive Director of BAE Systems plc, Equant NV and Foster Wheeler AG.

Other current appointments: Chairman, Smith & Nephew plc.



MARK READ CHIEF EXECUTIVE OFFICER

Appointed: 3 September 2018
Nationality: British

Mark has held multiple leadership positions at WPP, having first joined the Company in 1989. As Head of Strategy and then CEO of WPP Digital he was responsible for WPP's first moves into technology.

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.

In 2015, he became Global CEO of Wunderman, which he transformed into one of the world's leading creative, data and technology agencies.

Mark is regularly named among the world's top digital influencers. He is the Chairman of the Natural History Museum Digital Council and was recognised as a HEROes Champion of Women in Business in 2018 and 2019.

Other current appointments: None.



PAUL RICHARDSON GROUP FINANCE DIRECTOR

Appointed: 1996
Nationality: British and American

Paul became Group Finance Director of WPP in 1996 after four years as Director of Treasury.

Paul is responsible for the Company's worldwide functions in finance, information technology, procurement, property, treasury, taxation, internal audit and sustainability. Paul is a chartered accountant and fellow of the Association of Corporate Treasurers.

Paul will retire from the Board on 1 May 2020.

Other current appointments: None.

CHANGES TO THE BOARD DURING THE YEAR:

Ruigang Li – retired from the Board on 12 June 2019

Cindy Rose OBE – appointed to the Board on 1 April 2019

Jasmine Whitbread – appointed to the Board on 1 September 2019

Keith Weed – appointed to the Board on 1 November 2019

COMMITTEE MEMBERSHIP KEY

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

For full biographical details of our Board members, please see wpp.com/about/our-leadership



NICOLE SELIGMAN SENIOR INDEPENDENT DIRECTOR, NON-EXECUTIVE DIRECTOR

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

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.

Other current appointments: Non-Executive Director, ViacomCBS Inc. Non-Executive Director, Far Point Acquisition Corporation. Non-Executive Director, MeiraGTX Holdings plc.



JACQUES AIGRAIN NON-EXECUTIVE DIRECTOR

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

Jacques brings business, corporate finance and governance expertise to his role on the Board of WPP.

Currently a Senior Advisor at Warburg Pincus LLP, from 2001 to 2009 he was a member of the Executive Committee of Swiss Re AG. Prior to Swiss Re, he spent 20 years with JPMorgan Chase.

Jacques was previously Chairman of LCH Clearnet Group Ltd, a Director of the Qatar Financial Center Authorities and a Supervisory Board Member of Lufthansa AG and Swiss International Airlines AG.

Other current appointments: Chairman, LyondellBasell NV. Non-Executive Director, London Stock Exchange Group plc. Chairman, Singular SAU.



TAREK FARAHAT NON-EXECUTIVE DIRECTOR

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

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 in Europe, the Middle East and Latin America, leading multi-billion-dollar businesses for the company. His last position at Procter & Gamble was 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 Pilgrims Pride Corporation and Alpargatas. Tarek is currently a strategic advisor, consultant and partner for companies in the consumer goods and healthcare sectors.

Other current appointments: None.



SIR JOHN HOOD NON-EXECUTIVE DIRECTOR

Appointed: 1 January 2014 **C**
Nationality: New Zealander

Sir John brings deep knowledge and experience of international business to the Board, and provides analytical rigour arising from his leadership roles in higher education and research.

He has held advisory roles for the New Zealand and British governments and has served as a Non-Executive Director of British and New Zealand-based enterprises.

He was formerly Vice Chancellor of the University of Oxford and the University of Auckland.

Other current appointments: President and CEO, Robertson Foundation. Non-Executive Director, Aurora Energy Research. Non-Executive Director, The Blackstone Group Inc.



DANIELA RICCARDI
NON-EXECUTIVE DIRECTOR
Appointed: 12 September 2013 **N**
Nationality: Italian

A senior FMCG, retail and fashion products executive, Daniela is a recognised leader in business development and branding. She is currently CEO of Baccarat, the international luxury goods company, and was previously CEO of Diesel Group.

Daniela has substantial global business experience, having spent 25 years at Procter & Gamble in senior management roles around the world – including Vice President of Procter & Gamble Colombia, Mexico and Venezuela, Vice President and General Manager of Procter & Gamble Eastern Europe & Russia and President of Procter & Gamble Greater China.

Other current appointments:
 CEO, Baccarat. Non-Executive Director, Kering. Non-Executive Director, Comité Colbert.



CINDY ROSE OBE
NON-EXECUTIVE DIRECTOR
Appointed: 1 April 2019 **A**
Nationality: British and American

A high-profile leader in the technology and media sectors, Cindy has a deep understanding of the role of technology in business transformation.

As Microsoft UK CEO since 2016, she is responsible for Microsoft's product, service and support offerings across the UK. Prior to Microsoft, she was Managing Director of the UK Consumer division at Vodafone where she led the expansion of its retail store estate from 350 to over 500 stores.

Before Vodafone, Cindy was Executive Director of Digital Entertainment at Virgin Media. She also spent 15 years at The Walt Disney Company, ultimately as SVP & Managing Director of Disney Interactive Media Group.

Other current appointments:
 None.



SALLY SUSMAN
NON-EXECUTIVE DIRECTOR
Appointed: 13 May 2013 **N S**
Nationality: American

Sally brings expertise in communications, public affairs, governance and strategy to the Board. She is Executive Vice President, Chief Corporate Affairs Officer for Pfizer, the world's largest biopharmaceutical company. She also heads Pfizer's corporate responsibility group and plays a key role in shaping policy initiatives.

Before joining Pfizer in 2007, Sally was EVP of Global Communications at Estée Lauder, where she directed global corporate affairs strategy and served as a member of the Executive Committee.

Sally previously held several senior corporate affairs posts at American Express, in both London and the United States.

Other current appointments:
 Co-Chair, International Rescue Committee.



SOLOMON D. (SOL) TRUJILLO
NON-EXECUTIVE DIRECTOR
Appointed: 12 October 2010 **A**
Nationality: American

An international business executive with three decades of leading high-cap global companies in the United States, Europe and Asia Pacific, Sol has wide board and corporate governance experience in the technology, media and digital sectors.

Sol has managed operations in over 25 countries from Europe and North America to China, Australasia, Africa and the Middle East.

He is a Senior Advisor to Bain & Company and Chairman of Trujillo Group LLC, which manages investments and examines emerging trends in the broader digital space.

Other current appointments:
 Director, Western Union. Chairman, Silk Road Telecommunications.



KEITH WEED
NON-EXECUTIVE DIRECTOR
Appointed: 1 November 2019 **S**
Nationality: British

Keith has a deep understanding of WPP's business, the ways in which technology is transforming marketing and the sectors in which WPP operates.

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. From 2010 to 2019, Keith was Chief Marketing and Communications Officer at Unilever, a role that included creating and leading Unilever's ground-breaking sustainability programme.

Other current appointments:
 Board member, Business in the Community. Board member, Grange Park Opera. President, the UK Advertising Association.



JASMINE WHITBREAD
NON-EXECUTIVE DIRECTOR
Appointed: 1 September 2019 **S C**
Nationality: British and Swiss

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

Jasmine is currently Chief Executive of London First. Between 2005 and 2015, Jasmine worked for Save the Children, from 2010, as International Chief Executive Officer. In this role, Jasmine led the merger of 14 separate organisations into one management line of 15,000 people across seven regions and 60 countries. Jasmine began her career in international marketing in the technology sector. Jasmine has previously served as a Non-Executive Director of BT Group plc.

Other current appointments:
 Non-Executive Director, Standard Chartered plc.



SANDRINE DUFOUR
NON-EXECUTIVE DIRECTOR
Appointed: 3 February 2020 **A**
Nationality: French

Sandrine brings deep financial expertise gained in global companies and strong strategic capability to the Board. Sandrine 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 Proximus. Prior to Proximus, Sandrine held a number of leadership roles at Vivendi, in France and in the United States, across its entertainment and telecommunications business, covering areas including finance and strategy, M&A, innovation and transformation. Sandrine has held non-executive director roles, most recently at Solocal Group. Sandrine will become CFO of UCB on 1 July 2020.

Other current appointments:
 None.



JOHN ROGERS
CHIEF FINANCIAL OFFICER DESIGNATE
Appointed: 3 February 2020
Nationality: British

John became Chief Financial Officer Designate of WPP in February 2020, joining from J Sainsbury plc where he was Chief Executive Officer of Argos, leading its integration into the Sainsbury's business and its digital transformation into one of the UK's leading online retailers.

He was previously the Chief Financial Officer of J Sainsbury plc, responsible for its 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 recently sat on the Retail Sector Council, which acts as a point of liaison between the UK Government and retail sector.

Other current appointments:
 Non-Executive Director, Travis Perkins plc.

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 96.



JOHN ROGERS
CHIEF FINANCIAL OFFICER DESIGNATE

Biography can be found on page 97.



AJAZ AHMED
CHIEF EXECUTIVE OFFICER, AKQA

Ajaz is the founder and CEO of AKQA, which became part of WPP in 2012. Recognised as a creative pioneer, AKQA has won over 50 Agency of the Year awards.



STEPHEN ALLAN
WORLDWIDE CHAIRMAN AND CHIEF EXECUTIVE OFFICER, MEDIACOM

Stephen became Worldwide CEO and Chairman of MediaCom in 2008. Under his leadership the agency has grown into one of the world's top media networks.



JACQUI CANNEY
CHIEF PEOPLE OFFICER

Jacqui joined WPP in 2019 from Walmart, where she served as Chief People Officer, having previously worked at Accenture. She is responsible for all elements of WPP's people strategy.



JON COOK
GLOBAL CHIEF EXECUTIVE OFFICER, VMLY&R

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



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.



NICK EMERY
GLOBAL CHIEF EXECUTIVE OFFICER, MINDSHARE

Nick co-founded Mindshare in 1997. The agency is the current Cannes Lions Media Network of the Year and number one agency network in the WARC Media 100.



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 & International and Client Leader for GSK.



RICHARD GLASSON
GLOBAL CHIEF EXECUTIVE OFFICER, HOGARTH

Richard became CEO of Hogarth Worldwide in 2016, having joined the marketing implementation agency in 2011. His prior role was CEO of Gyro International, the B2B marketing specialist.



ANDREA HARRIS
GROUP CHIEF COUNSEL AND HEAD OF SUSTAINABILITY

Andrea was appointed as Group Chief Counsel in 2005 having joined WPP in 1996. In 2017 she also became the Company's Head of Sustainability.



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 (BURSON COHN & WOLFE)

Appointed CEO of the newly formed Burson Cohn & Wolfe in 2018, Donna was previously CEO of Cohn & Wolfe. BCW is one of the world's largest full-service communications agencies.



TOBY JENNER
GLOBAL CHIEF EXECUTIVE OFFICER,
WAVEMAKER

Toby was named CEO of global media network Wavemaker in 2019. He was previously Worldwide Chief Operating Officer of MediaCom, where he spent 11 years in a range of senior roles.



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.



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 company in 2016.



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.



JOHN SEIFERT
WORLDWIDE CHIEF EXECUTIVE
OFFICER, OGIILVY

John is a 40-year veteran of Ogilvy, one of the world's most celebrated agencies. He was appointed Worldwide CEO in 2016 after leading the agency's North American operations.

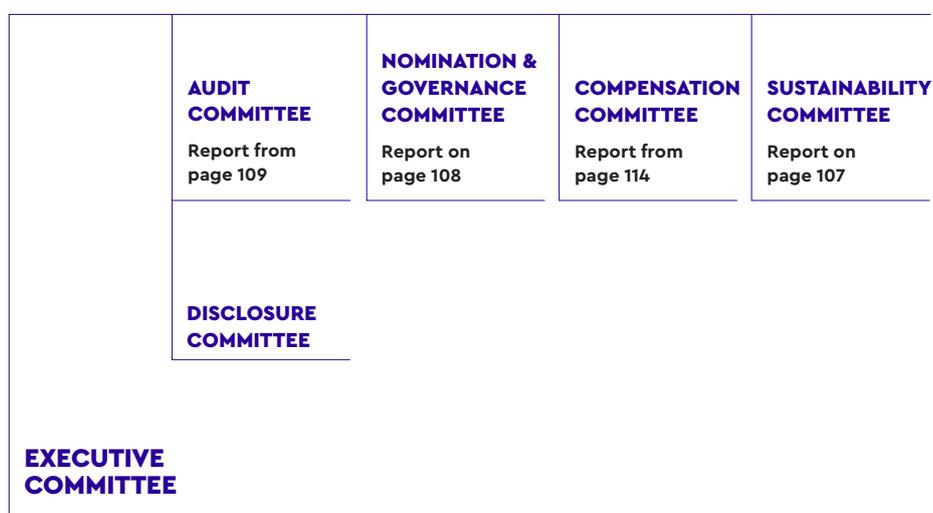
CORPORATE GOVERNANCE REPORT

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.

OUR GOVERNANCE STRUCTURE

BOARD

Report from page 94



BOARD ATTENDANCE TABLE: 2019

	Board		Audit Committee	Compensation Committee	Nomination and Governance Committee		Sustainability Committee ²
	(Scheduled meetings)	(Unscheduled meetings) ¹			(Scheduled meetings)	(Unscheduled meetings)	
Roberto Quarta	6/6	4/4		7/7	5/5	1/1	
Mark Read	6/6	4/4					
Paul Richardson	6/6	4/4					
Jacques Aigrain	6/6	4/4	9/9	7/7			
Tarek Farahat	6/6	3/4	9/9				
Sir John Hood	6/6	4/4		7/7			
Daniela Riccardi	6/6	3/4			5/5	0/1	
Cindy Rose OBE – appointed on 1 April 2019	4/4	3/4	4/5				
Nicole Seligman	6/6	4/4		7/7	5/5	1/1	
Sally Susman	6/6	3/4			4/5	1/1	1/1
Solomon D. (Sol) Trujillo	6/6	4/4	8/9				
Keith Weed – appointed on 1 November 2019	1/1						1/1
Jasmine Whitbread – appointed on 1 September 2019	2/2	1/1		2/2			1/1
Former Directors who served for part of the year							
Ruigang Li – retired on 12 June 2019	0/3	0/1			0/3		

¹ Additional unscheduled meetings of the Board took place in relation to the sale of 60% of Kantar.

² The Sustainability Committee was established on 12 December 2019.

COMPOSITION AND DIVERSITY

ENSURING A BALANCED BOARD

The composition of the Board and its Committees is under regular review and the range of skills and capabilities at Board level is assessed for relevance to the execution of our transformation and strategy. Cultural and gender diversity, expertise in important markets such as China, and experience in technology, ecommerce and finance are key requirements for future Non-Executive Directors.

DIVERSITY

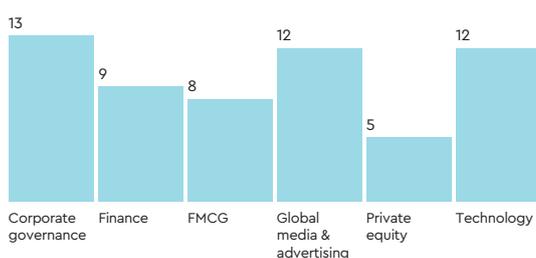
The Board's policy on diversity commits WPP to increasing diversity across the Company and supports the development and promotion of all talented individuals. As at the date of this report, women comprised 40% of the WPP Board and 50% of Non-Executive Directors including the Senior Independent Director.

INDEPENDENCE AND RE-ELECTION TO THE BOARD

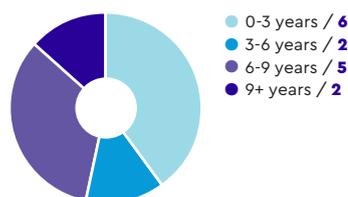
The independence, effectiveness and commitment of each of the Non-Executive Directors have been reviewed by the Nomination and Governance Committee and as part of the Board evaluation detailed on page 103. We were satisfied with the contributions and time commitment of all the Non-Executive Directors during the year. The Committee was confident that each of the Non-Executive Directors remains independent and will be in a position to discharge their duties and responsibilities in the coming year. With the exception of Sol Trujillo, Sir John Hood, Daniela Riccardi and Paul Richardson who are retiring from the Board and Sandrine Dufour, John Rogers, Keith Weed and Jasmine Whitbread whose appointments are being ratified for the first time, all the Directors will stand for re-election at the 2020 AGM with the support of the Board.

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

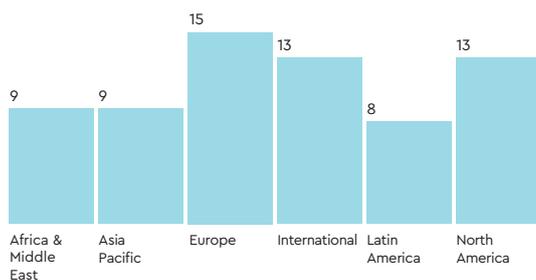
SKILLS



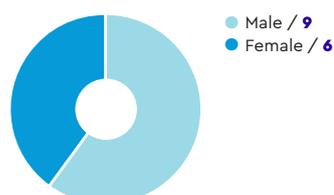
TENURE



GEOGRAPHICAL EXPERIENCE



GENDER



* Information as at the date of this report

SUCCESSION PLANNING

As noted in last year's Annual Report, during late 2018, Paul Richardson, Group Finance Director, informed the Board that he planned to retire. A subcommittee of the Nomination and Governance Committee oversaw the search for his successor, with the assistance of Spencer Stuart Associates.

John Rogers, formerly CEO of Sainsbury's Argos, was appointed to replace Paul Richardson as a consequence of the search process. John joined the Board as CFO Designate on 3 February 2020 and will take over from Paul Richardson as Chief Financial Officer at the beginning of May 2020.

A key focus of the Nomination and Governance Committee has been on Board refreshment. The outcome of this process resulted in the Committee recommending the appointment of four new Non-Executive Directors to the Board. The Board agreed with the Committee's recommendations and Cindy Rose, Keith Weed, Jasmine Whitbread and Sandrine Dufour were appointed to the Board.

For further details on the succession planning subcommittee and Non-Executive Director succession planning, see our Nomination and Governance Committee report on page 108.

PROCESS OF APPOINTING THE NEW CHIEF FINANCIAL OFFICER

SETTING ROLE REQUIREMENTS	IDENTIFYING CANDIDATES	PROCESS	RECRUITMENT
With input from the Board, shareholders, clients and senior management, a subcommittee of the Nomination and Governance Committee prepared a detailed specification for the role of Chief Financial Officer, identifying the skills, knowledge, experience and attributes required.	Spencer Stuart Associates assisted with the search for candidates and prepared a shortlist of internal and external candidates most suited to the role specification.	The subcommittee reviewed the shortlist and identified a number of candidates for interview. Interviews were conducted by members of the executive team and the subcommittee, focused on each candidate's skills and experience for the role.	It was concluded after an extensive search process that John Rogers was the strongest candidate and had the skills and experience to support the implementation of the transformation plan. The Board agreed with the subcommittee's recommendation.

PROCESS FOR REFRESHING THE NON-EXECUTIVE DIRECTORS ON THE BOARD

SETTING ROLE REQUIREMENTS	IDENTIFYING CANDIDATES	PROCESS	RECRUITMENT
The Nomination and Governance Committee prepared detailed specifications for the skills, knowledge, experience and attributes required for new Non-Executive Directors to join the Board.	Russell Reynolds undertook an extensive search process to identify potential candidates in the external market.	The Nomination and Governance Committee met frequently and extensively discussed the merits of the candidates and interviewed those with the most potential.	The Committee identified a number of candidates through 2019 who would bring new skills to the Board, refresh the Committees and provide succession plans for the Chairs of Committee and candidates for the new Sustainability Committee.

INDUCTION AND TRAINING

INDUCTION FOR NEW NON-EXECUTIVE DIRECTORS

The new Non-Executive Directors received tailored induction programmes relevant to their roles on the Board and Committees they joined. These induction programmes included meetings with senior management and members of the Executive Committee, access to historical minutes and Board materials, visits to some of our businesses and meetings with external advisors including the Auditors and Company brokers.

PROFESSIONAL DEVELOPMENT AND DIRECTOR TRAINING

In 2019, in addition to the regular presentations from the management teams of our businesses on developments in our sector and use of technology, the Board received bespoke training sessions on the corporate governance rules in the UK and the United States, with a specific focus on independence and managing conflicts of interest.

BOARD INDUCTION

On completion of the induction programme, all new Directors should have sufficient knowledge and understanding of the business to enable them to effectively contribute to strategic discussions and oversight of the operations and the work of the Committees they are joining.

BOARD PERFORMANCE EVALUATION

2018 BOARD EVALUATION PROCESS

During 2018 the Board performance evaluation was externally facilitated by Dr Long of Boardroom Review Limited, who has no other connection with the Company or individual directors. Dr Long identified three key recommendations for 2019. Progress against each recommendation has been assessed as part of our internal Board effectiveness review.

KEY RECOMMENDATIONS FOR 2019

- **BOARD COMPOSITION**
The Board's contribution is dependent on its ability to add strategic relevance, diversity of perspective and governance expertise. The Board should constantly evolve its skills mix.
- **SUPPORTING THE TRANSFORMATION**
Continuous level of domain knowledge and visibility of the changing landscape.
- **CONTINUED FOCUS ON THE RISK FRAMEWORK**
The transformation will demand continued focus on risk, enterprise resilience and the global compliance framework from the Board and its Committees.

PROGRESS DURING 2019

- **BOARD COMPOSITION**
Four new Non-Executive Directors have been appointed to the Board and John Rogers has joined the Board as CFO Designate.
- **SUPPORTING THE TRANSFORMATION**
The changes made to the Board and Committee composition in 2019 have enhanced domain knowledge.
- **CONTINUED FOCUS ON THE RISK FRAMEWORK**
The focus and enhancements being made to the risk framework are set out on pages 80-83.

2019 BOARD EVALUATION PROCESS

The Board performance evaluation in 2019 was internally facilitated by Nicole Seligman, Senior Independent Director. The 2019 review comprised a questionnaire completed by each director which drew on the recommendations of Dr Long in 2018 and the issues dealt with by the Board and Committees throughout the year. The questionnaire was reviewed with Dr Long.

Nicole Seligman then conducted individual discussions with each Board member and discussed the performance of the Chairman and the Chairs of the respective Committees. The outcome of the questionnaire and the discussions were shared with the Chairman and the findings were also discussed by the full Board in March 2020.

The key areas of focus and recommendations for 2020 are as set out opposite.

EVALUATION OF THE CHAIRMAN

The performance evaluation found that following the CFO succession process, the Chairman continues to transition the Board through a period of change and transformation and has developed a supportive relationship with the new CEO. There are constructive relationships between the Chairman, the Senior Independent Director and the Committee Chairs and in collaboration with the CEO, the Chairman is redeveloping the Board's way of working.

KEY AREAS OF FOCUS



OUTCOMES

The Board has effective leadership in place, with strong support for and relationships between the Chairman, CEO, the Senior Independent Director and Committee Chairs. The Board has been going through a process of refreshment, focusing on succession for the CFO, and membership of the Committees including the formation of the new Sustainability Committee, and is very much engaged with the strategic process and transformation plan. There is continued focus on business integrity, culture, sustainability, cyber security, data privacy and the risk and control framework.

KEY RECOMMENDATIONS FOR 2020

- **TRANSFORMATION AND SIMPLIFICATION**
Continued focus on domain knowledge for the Board and new members, understanding the evolving landscape and process of transformation.
- **FOCUS ON THE RISK FRAMEWORK**
Continued focus on risk and risk appetite, enterprise resilience, business integrity and culture and the controls framework from the Board and its Committees.
- **BOARD MODUS OPERANDI**
Ensuring the Board continues to evolve how it functions and its skills mix and how it engages with stakeholders.

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 considers 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.

Decisions of the Board are taken after receiving reports from management on issues concerning our stakeholders and after discussing the impact of that decision on our employees, clients, partners, investors, governments and regulators where relevant, reflecting what are referred to as Section 172 duties. These duties derive from UK legislation, which WPP is not subject to being incorporated in Jersey. Nonetheless, as described in this section, WPP's Board has had regard to the matters described in Section 172.

A CHANGING STAKEHOLDER ENVIRONMENT

As our industry continues to change, so too has the way in which we interact with our stakeholders. The line that separates client, stakeholder, partner and competitor has become increasingly blurred, as they are all interconnected. Google is a client, supplier and partner, for example.

ENGAGEMENT IN ACTION

KANTAR SALE

The Chairman, CEO, CFO and COO, as well as members of the investor relations team, regularly discussed the rationale for the Kantar transaction with investors, as well as the potential allocation of proceeds between debt reduction and a return to shareholders. In addition, investors were invited to outline their own preference between a special dividend and some form of share buyback.

Consultations and meetings also took place in relation to the transaction with the largest clients of the Group and with suppliers impacted by the disposal and with works councils representing employees of Kantar in a number of jurisdictions.

99.99%

shareholder vote approving sale of 60% of Kantar business at a General Meeting held on 24 October 2019

TOP CONSIDERATIONS

- 1 What is the financial impact of the Kantar transaction?**
Financial leverage is reduced to the low end of WPP's target range of 1.5-1.75x average net debt/EBITDA for 2020, a year ahead of the target date. The £950m share buyback programme announced in December 2019 and suspended in March 2020, as a consequence of Covid-19, would partially mitigate the impact of the transaction on headline earnings per share.
- 2 Why are you reducing your exposure to data when some of your competitors are increasing theirs?**
Kantar is a different type of data business to the assets that our peers have been acquiring, so the value of the comparison is limited. Our focus is on combining multiple relevant data sources (for example, our clients' customer data, and data from third-party platforms such as Google and Facebook) to help clients run effective campaigns. We don't need to own data to do this, and ownership of some data is becoming increasingly regulated and complex.
- 3 Why have you retained a 40% stake?**
The 40% stake allows us to share in any future upside in valuation in Kantar, and was also an attractive structure for Bain Capital, who value the ongoing partnership. It also provides continuity for our clients.
- 4 Will you still get access to Kantar's data?**
Yes. There is significant overlap between Kantar's customer base and the rest of WPP, and our agencies will continue to use Kantar where appropriate to inform their work for clients.
- 5 How did you decide on the split of proceeds between debt reduction and returning funds to shareholders?**
We were keen to strike a balance between reducing debt to a level which would insulate us from any downturn in the economic cycle, while also giving us flexibility to invest if opportunities arise, and limiting the impact of the transaction on headline earnings per share. We consulted widely with shareholders, the significant majority of whom have been very supportive of the split.

OUR ENGAGEMENT DURING 2019

The following table summarises our key stakeholders, as well as the engagement that has been undertaken across the business during the year:

STAKEHOLDER GROUP	HOW WE ENGAGED IN 2019	
<p>SHAREHOLDERS</p> <p>Engagement with our shareholders is an ongoing process. In 2019 as we implemented the first year of our new strategy and the disposal of 60% of Kantar, we have engaged with major shareholders and analysts at meetings with our Chairman, Committee Chairs, CEO, COO and our investor relations team, at our investor day, AGM, EGM and through webcasts and ongoing email exchanges.</p>	<p>The presentations remain on our website, together with updates on our progress.</p> <p>We have held meetings with major shareholders in relation to the use of the proceeds of sale of Kantar and in relation to the Compensation Policy to be considered by shareholders at the 2020 AGM. We have attended meetings with shareholders in major cities in the UK, US and Europe and attended all the major conferences in our sector.</p>	<p>Our 2019 AGM and EGM were both well attended, and all proposed resolutions passed. Each shareholder meeting gave our shareholders the opportunity to pose questions directly to the Board. We provided live webcasts of our AGM, EGM and investor day which allowed for engagement by all shareholders, regardless of location.</p> <p>Our investor relations team responded to daily questions from shareholders and analysts and we have listed some of these on page 104.</p>
<p>CLIENTS AND PARTNERS</p> <p>Our clients are in many cases also our partners providing services to our Company and may also be our competitors. We are constantly engaging through our Client Team Leaders, our respective CEOs, participation in collaborative training, our unconference event Stream, joint sustainability and pro bono initiatives and on shared policy initiatives such as the Business Against Slavery forum.</p>	<p>During the year this included client presentations at our Board meetings and client participation in events, such as our WPP investor day and strategy conference. Our people participated in multiple events with Adobe, Microsoft, Amazon and Google during the year focused on new products and workflow innovation.</p> <p>The issues we engaged with our clients and partners on in 2019 included the disposal of 60% of Kantar, our new strategy and the changes taking</p>	<p>place in our market and understanding the changes taking place in our clients' and suppliers' markets, our preparations for and impact of the CPPA and our SAFER DATA training, the issues raised by Brexit for our Company and people and the due diligence undertaken on our supply chain, diversity and inclusion, transparency in our media businesses, brand safety and sustainability initiatives including the single-use plastics initiative.</p>
<p>GOVERNMENT/NGOs/REGULATORS</p> <p>We engage with governments, regulators and NGOs to inform the policy frameworks that affect our Company, clients, investments and competitive environment and support our strategic goals.</p>	<p>We are a founding member of the Business Against Slavery Forum in conjunction with the Modern Slavery Unit at the UK Home Office and participated in the forum throughout the year.</p> <p>We work directly with the UN through our Common Ground initiative, partnering with UN Women to tackle gender inequality, and with the UN Framework Convention on Climate Change (UNFCCC) to encourage people from around the world to take action on climate change.</p>	<p>During the year WPP signed up to the New Plastics Economy Global Commitment led by UN Environment and the Ellen MacArthur Foundation (EMF), and is supporting EMF to drive greater awareness of the circular economy. For more information on our work with NGOs, see page 66. For examples of our pro bono work, see pages 6, 67 and 75.</p> <p>We responded to numerous government consultations including, in the UK, the CMA Market Study into Online Platforms.</p>
<p>INDEXES/TRADING ASSOCIATIONS</p> <p>We have representatives on our industry bodies in the markets in which we operate who engaged on issues that affect our people, clients and competitors. We contributed during the year to indexes that provide meaningful data on governance and policy issues.</p>	<p>We are members of the IPA in the UK and the 4A's in the US and engaged on topics such as transparency in media trading and brand safety. We participated in the Business Disability Forum, Business in the Community and the CBI.</p>	<p>We also participated in the Corporate Equality Index and the Corporate Political Engagement Index.</p>

OUR ENGAGEMENT DURING 2019 CONTINUED

STAKEHOLDER GROUP

HOW WE ENGAGED IN 2019

STAKEHOLDER GROUP	HOW WE ENGAGED IN 2019
<p>PEOPLE</p> <p>We depend on the talent, creative abilities and technical skills of our people. To attract and retain the best and most forward-thinking talent, we are focused on embedding our new culture, improving diversity and inclusion and investing in skills and creativity.</p>	<p>We use formal and informal mechanisms to assess and improve employee engagement and satisfaction.</p> <p>People forums are one example, which were piloted in 2019 in the UK. The views and ideas raised through these forums are shared with our Non-Executive Directors responsible for workforce engagement. See below for more details.</p>
	<p>Employee surveys help us assess and act on engagement and satisfaction levels. In 2020, we will launch our first Company-wide employee survey.</p> <p>The vast majority (95%) of our companies carry out exit interviews with leavers, which often provide helpful feedback on our culture and practices.</p> <p>Across our operating companies, sustainability enthusiasts are creating Green Teams to embed sustainability initiatives in their companies and driving change in their office.</p>

TOP THREE PRIORITIES IDENTIFIED BY EMPLOYEES

1

Creating cultures where all talent can thrive

2

Flexible working

3

Sustainability

PEOPLE FORUMS

To ensure our Board understands the views of our employees on WPP's purpose, values and strategy, in 2019 we established our first People Forum in the UK. Sponsored by our UK Country Manager, the Forum has representatives from across our UK business who gather feedback from their agencies to feed up to the WPP Board. The Board also consults the Forum on key people issues.

The UK People Forum met three times during the year. In its first meeting, the Forum identified the top priorities for employees, which included "creating cultures where all talent can thrive" (top priority) and "sustainability" (third priority). As a direct result of feedback through this Forum, we are piloting a new Sustainability Knowledge Hub to share best practice and foster collaboration on sustainability issues across our agencies. We also launched the single-use plastics initiative (see page 72) and developed resources in collaboration with the Forum.

In 2020, we will roll out an India People Forum representing employees from Mumbai, Delhi and Bangalore.

Sally Susman stepped down from her role as one of the Non-Executive Directors responsible for engaging with the Forum in December 2019 when she became co-Chair of the Sustainability Committee and Cindy Rose has been elected to this role.

SUSTAINABILITY COMMITTEE REPORT

Our newest Committee held its first meeting on 12 December 2019

Committee members:

- Sally Susman (co-Chair)
- Keith Weed (co-Chair)
- Jasmine Whitbread

Key responsibilities

- Understanding the sustainability challenges and opportunities for the Group
- Engaging with stakeholders
- Assessing the Group's current strategy footprint, identifying materiality and reviewing sustainability targets and commitments



PACKAGING REINVENTED

Costa Rica produces 560 tons of plastic waste a day. Geometry asked eco-activists to share photos of products with unnecessary layers of plastic on social media and challenged young product designers to create sustainable alternatives that save time, money, and our planet, publishing solutions online for companies to access and implement.

DEAR SHAREHOLDER

The world is changing around us more quickly than ever before with significant risks and opportunities for our business and for those of our clients. While changes in technology have been rapid and highly impactful and attracted considerable Board focus, there have also been rapid changes in the area of ESG and sustainability.

The WPP Sustainability Committee has been formed to give increased focus in this area for the Board and the Group, to strive to meet the expectations of our stakeholders (from our clients, investors and people to NGOs, consumers and society at large), as well as to ensure we are managing our risks and taking advantage of the opportunities.

We held our first meeting in December 2019 at which we adopted the terms of reference and agreed the scope of work for the Committee for 2020. The Sustainability Committee will first gain an understanding of the breadth of sustainability work already in progress across the business and will then identify what is material in forming WPP's sustainability strategy and review the KPIs to help measure effectiveness of delivery. That workstream has already begun with an in-depth review of the workstreams in January 2020. The sustainability section on pages 58-79 sets out the new carbon and renewable targets the Group has set this year, which are net zero carbon emissions in our Campuses by 2025 and 100% renewable electricity by 2025, as well as the target, set in 2017, of 0.41 tonnes CO₂e per employee by 2030.

At our meeting in December we also reviewed the single-use plastics policy launched by the Group in 2019, to phase out plastics that cannot be renewed, recycled or composted across all the Group's 3000+ offices and Campuses by the end of 2020. In addition to the policy, the Committee also reviewed the seven-step action plan produced by the Company, a playbook to embed the policy and audit plan to be adopted by the Group companies to support the policy.

The Committee members all bring a great depth of knowledge and experience in the area of ESG and sustainability and we are very much looking forward to our new role for the Company.

Sally Susman
Co-Chairs of the
Sustainability Committee
29 April 2020

Keith Weed

NOMINATION AND GOVERNANCE COMMITTEE REPORT

Committee members:

- Roberto Quarta (Chairman)
- Ruigang Li (retired 12 June 2019)
- Daniela Riccardi
- Nicole Seligman
- Sally Susman

Highlights

- Chief Financial Officer appointment
- Appointment of four Non-Executive Directors including a successor to become Chair of the Compensation Committee
- Focus on Board composition and succession to support the transformation plan
- First reports received from and engagement with the UK People Forum

Key responsibilities

- Evaluates Board composition and ensures Board diversity and a balance of skills
- Reviews executive succession plans to maintain continuity of skilled resource
- Oversees matters relating to corporate governance

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

DEAR SHAREHOLDER

The focus of the work of the Committee in 2019 has been the recruitment and appointment of the Chief Financial Officer, the appointment of four new Non-Executive Directors, including a successor as Chair of the Compensation Committee.

BOARD AND COMMITTEE CHANGES

2019 was the first full year of transformation for the Company and as part of our ongoing succession planning for the Board, a number of changes have taken place during 2019.

Three of our long-standing Non-Executive Directors, Sol Trujillo, Sir John Hood and Daniela Riccardi, will not stand for re-election at the AGM in 2020. Jasmine Whitbread will succeed Sir John Hood as Chair of the Compensation Committee following the AGM.

We established a separate Sustainability Committee in December 2019. Sally Susman and Keith Weed were elected as co-Chairs and Jasmine Whitbread was elected as a member of this new Committee, all bringing a great depth of experience in sustainability.

COMMITTEE EFFECTIVENESS

The Board performance evaluation this year concluded that the Committee is operating effectively and has continued to manage a significant level of change in the Board to ensure an enhanced mix of skills for the Board and its Committees.

DIRECTOR APPOINTMENT PROCESS

The Committee adopts a formal and transparent process when recruiting Directors with due regard to the skills, knowledge and level of experience required including geographic experience and diversity.

EXECUTIVE DIRECTOR

The Committee established a succession planning subcommittee comprising me as Chairman, Nicole Seligman, Jacques Aigrain and Sally Susman to assist with the recruitment of the new Chief Financial Officer. Spencer Stuart Associates assisted the Company in the recruitment process and is independent of the Company.

NON-EXECUTIVE DIRECTORS

Russell Reynolds, who are also independent of the Company, assisted the Committee during the search process for new Non-Executive Directors, to find those candidates

who have the skills and experience to align the Board's composition with the Company's strategic objectives and transformation plan whilst increasing our diversity.

SUCCESSION PLANNING

In addition to succession planning for Board roles, the Committee received presentations from the Chief Executive Officer and Chief People Officer on succession planning for senior management to support the transformation plan. The Committee monitors a schedule on the length of tenure, skills, experience and diversity of the Board.

PEOPLE FORUMS

The Committee received the minutes of the three UK People Forum Meetings during the year and Daniela Riccardi attended one of the meetings to discuss issues raised and engage with the members of the UK People Forum on diversity and inclusion and the implementation of the transformation programme across the Group.

Sally Susman stepped down from her role as one of the Non-Executive Directors responsible for workforce engagement in December 2019 when she became co-Chair of the Sustainability Committee and Cindy Rose has been elected to this role.

ACTION PLAN

For 2020 the Committee plans to continue to look to enhance the cultural diversity and skills balance on the Board and review succession plans for key roles across the business, as well as employee engagement through the establishment of additional People Forums in different markets across the Group.

GOVERNANCE

The Committee oversees the governance agenda on behalf of the Board and received updates on corporate governance developments and the sustainability strategy during the year and has considered the impact of those developments and strategy on the Company.

Roberto Quarta
Chairman of the Nomination and Governance Committee
29 April 2020

AUDIT COMMITTEE REPORT

Committee Members in 2019

- Jacques Aigrain (Chairman)
- Tarek Farahat
- Cindy Rose OBE (appointed 1 April 2019)
- Solomon D. (Sol) Trujillo

Highlights in 2019

- Monitored the financial information provided to shareholders on the disposal of 60% of Kantar and reviewed the related significant financial reporting judgements
- Monitored the development of the Group's risk management framework including the formation of the Company's business integrity function and the roll out of enterprise and network level Risk Committees
- Carried out an in-depth review of the Group's internal financial control system, with a focus on monitoring remediation and compliance with Section 404 of SOX
- Considered the change in the Group's reported operating segments and monitored compliance with IFRS 8 Operating Segments
- Reviewed the implementation of IFRS 16 Leases from 1 January 2019

Key responsibilities

- Monitors the integrity of financial information provided to shareholders, including the review of significant financial reporting judgements
- Reviews the integrity, adequacy and effectiveness of the Group's internal financial controls and the internal control and risk management systems, including the risk management framework and related compliance activities
- Monitors and reviews the effectiveness of the Group's internal audit function
- Reviews the effectiveness of the external audit process and reviews and monitors the independence and objectivity of the external auditors

DEAR SHAREHOLDER

I am pleased to present the Audit Committee report which reviews the Committee's work and focus over the past year.

MEETINGS

The Committee held nine meetings during 2019, which were attended by Deloitte LLP (the Company's external auditors, "Deloitte"), the Company's Chairman, the Senior Independent Director, the Group Finance Director, the Chief Executive Officer, the Chief Operating Officer, the Director of Internal Audit, the Group Chief Counsel, the Group Chief Accountant and the Company Secretary. Individual attendance by the Committee members during 2019 is set out in the table on page 100.

The Committee held separate private meetings with Deloitte, the Director of Internal Audit, the Group Chief Counsel, the Chief Executive Officer and the Group Finance Director. The Committee Chairman held pre-meetings with Deloitte and regular meetings with the Company's Directors of Internal Audit, Tax and Treasury and the Group Chief Counsel. The Committee Chairman has an ongoing dialogue with the Group Finance Director, the Group Chief Accountant, the Director of Internal Audit and the Director of Tax and reports to the Board, as a separate agenda item, on the activities of the Committee at the following Board meeting.

COMMITTEE RESPONSIBILITIES AND HOW THEY WERE DISCHARGED IN 2019

The Committee's responsibilities are set out in its terms of reference. The Committee's key responsibilities are as follows:

- monitoring the integrity of the Group's financial statements and formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements and disclosures;
- monitoring and reviewing the Group's internal financial, operational and compliance controls and internal control system. Overseeing the Group's compliance with Section 404 of SOX;
- reviewing and monitoring the activities and effectiveness of the Group's internal audit function. Reviewing and approving the WPP Internal Audit charter;

- reviewing and monitoring the Company's risk management framework. Assisting the Board in carrying out a robust assessment of emerging and principal risks. Overseeing the Group's risk exposure and risk strategy;
- reviewing the effectiveness of the external audit process, reviewing and monitoring the independence and objectivity of Deloitte. Reviewing and approving Deloitte's terms of engagement and remuneration;
- monitoring applicable accounting and legal reporting requirements, including all relevant regulations of the FCA, the SEC, the NYSE and the Jersey Financial Services Commission and the UK Corporate Governance Code;
- reviewing the Company's systems and controls for ethical behaviour, the matters reported on the Group's Right to Speak helpline and the investigations and actions undertaken by the Group in response;
- reviewing the Group Treasury policy, focusing on debtors, working capital and cash management;
- reviewing reports on any material litigation or regulatory reviews involving Group companies;
- reviewing the Group's acquisitions strategy, earn-out payment liabilities and integration processes; and
- reviewing the Group's tax position and UK tax strategy.

FAIR, BALANCED AND UNDERSTANDABLE

A subcommittee of the Board including members of the Committee examined whether the Annual Report taken as a whole was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The subcommittee received an early final draft of the Annual Report for review and comment and verification notes and confirmation from the Disclosure Committee relating to the composition of the Annual Report. The Board subsequently considered the Annual Report as a whole and discussed the Annual Report's tone, balance and language for compliance with these standards. The Board's statement on the Annual Report is on page 200.

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	ACTIONS TAKEN/CONCLUSION
Kantar: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations The judgements made in relation to the accounting and reporting implications of the Kantar disposal.	The Committee considered management's ongoing assessment of the conditions that must be satisfied in order to conclude a disposal group is "held for sale". The Committee monitored progress of the transaction during 2019 and management's continued application of the guidance. The Committee was satisfied with management's conclusion as to when the Kantar group classified as "held for sale". The Committee reviewed management's judgements in relation to the key accounting and disclosure impacts of the transaction.
Kantar: disposal accounting The calculations of the loss on disposal of the Kantar group.	The Committee reviewed the judgements made by management in accounting for the disposal of the Kantar group. The Committee considered and discussed the related accounting disclosures with management and Deloitte and concluded that these were appropriate.
IFRS 8 Operating Segments The review of the Group's reported operating segments and compliance with IFRS 8.	The Committee considered management's proposed changes to the Group's reported operating segments and challenged management's approach and assessment of the criteria under IFRS 8 Operating Segments. The Committee received further comprehensive reports from management and from Deloitte. The Committee was satisfied with management's final recommendations and the outcome of the review.
IFRS 16 Leases The review of the Group's implementation of IFRS 16.	The Committee received reports from management concerning the adoption of IFRS 16 from 1 January 2019 and the impact on the financial statements. The Committee reviewed the judgements made by management in the application of IFRS 16 and was satisfied that these were appropriate.
Goodwill impairments Judgements in relation to goodwill impairment testing.	The Committee challenged 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. A material weakness has been identified which management are remediating with oversight from the Committee. Management are changing the approach to determining inputs with respect to the discount rates used in impairment assessments and establishing a review process over inputs and the overall discount rate methodology. The identified material weakness has not resulted in a material misstatement in the year ended 31 December 2019 or in any prior years.
Investments The valuations of non-controlled investments and unlisted associates.	The Committee examined management's valuations, based on forecasts, recent third-party investment, external transactions and/or other available information such as industry valuation multiples. The Committee considered Deloitte's sample testing of the valuations and agreed that the valuations were appropriate based on the information available to the Group.
Earnout liabilities The accuracy of forecasting potential future earnout payments due under acquisition agreements.	The Committee considered management's forecasts and reviewed the testing undertaken by Deloitte. The Committee was satisfied that liabilities for potential future earnout payments have been accounted for appropriately.
Working capital provisions The valuation of year-end provisions in respect of working capital.	The Committee received regular briefings on management's approach in assessing the level of exposure across the Group. The Committee considered Deloitte's audit procedures in this area. The Committee concluded that management's approach was appropriate.
Remuneration Accounting for the judgemental elements of remuneration.	The Committee reviewed the assumptions applied by management in relation to judgemental elements of remuneration, including pensions, bonus accrual, severances and share based payments and agreed that these are reasonable.
Taxation The judgements made in respect of tax.	The Group Tax Director presented to the Committee in December 2019. The Committee considered management's assumptions, in particular in relation to the level of central tax provisions, and believes that the level of central tax provisions is reasonable.
Going concern The going concern assessment and viability statement.	The Committee reviewed the range of scenarios modelled by management given the inherent uncertainty caused by Covid-19 and the cost mitigation actions available to management including the suspension of the share buybacks and 2019 final dividend. The Committee assessed management's view that the likelihood of declines of over 35% of revenue less pass-through costs from April 2020 was remote. The Committee has considered and concurs with management's going concern, viability and forecasting assumptions, as set out on page 84.
Restructuring and transformation costs Recognition of restructuring and transformation costs.	The Committee reviewed management's key accounting judgements and procedures relating to restructuring and transformation costs and the testing carried out by Deloitte. The Committee was satisfied with the quantum of costs recognised in 2019 and the presentation of such costs in the financial statements.

EXTERNAL AUDIT

Deloitte has been the Group's auditors since 2002. The lead audit partner rotates every five years. The latest rotation took effect during 2019 when Robert Topley replaced Richard Muschamp as the Group's lead audit partner, in respect of accounting periods commencing from 1 January 2019. The Committee oversaw the completion of the lead audit partner transition process during 2019. In 2019, the effectiveness of the external audit process was evaluated through the Committee's ongoing review of the external audit planning process and discussions with key members of the Group's finance team. The Committee considered the Audit Quality Review's 2018/19 Audit Quality Inspection Report on Deloitte and the actions taken by Deloitte to address the findings in that report. The 2019 evaluations concluded that there continued to be a good quality audit process and constructive challenge where necessary to ensure balanced reporting. The Committee held private meetings with Deloitte and the Committee Chairman met privately with Deloitte before each meeting. The Committee continues to be satisfied with the performance of Deloitte and confirms that Deloitte continues to be objective and independent. The Committee recommends the reappointment of Deloitte at the 2020 AGM.

The Committee considered the Group's position on its audit services contract in the context of the regulations concerning the audit market. Although there is no immediate intention to tender the audit contract, the Company will re-tender at the latest by the 2022 year-end in compliance with the transitional arrangements for competitive tender that require mandatory rotation after the 2023 fiscal year-end.

The Company confirms that it has complied with the Competition and Markets Authority final order on mandatory tendering and Audit Committee responsibilities.

INTERNAL AUDIT

The annual internal audit plan, including the list of units for internal audit review, is approved by the Committee at the beginning of the financial year. Progress against the plan is monitored throughout the

year and any significant changes to the plan require Committee approval. Significant issues identified within internal audit reports are considered in detail by the Committee along with the remediation plans to resolve those issues. The Committee regularly considers the level of internal audit resource to ensure it is appropriate to provide the right level of assurance over the principal risks and controls throughout the Group. The Committee Chairman holds regular update meetings with the Director of Internal Audit, to ensure the internal audit function has adequate standing, is free from management restrictions and has direct access to the Committee if required.

INTERNAL FINANCIAL CONTROL

The Committee carried out an in-depth review of the Group's internal financial control system, with a focus on monitoring, remediation and compliance with Section 404 of SOX. A material weakness has been identified and management are changing the approach to determining inputs with respect to the discount rates used in impairment assessments and establishing a review process over inputs and the overall discount rate methodology. The identified material weakness has not resulted in a material misstatement in the year ended 31 December 2019 or in any prior years.

NON-AUDIT FEES

The Committee has a policy regarding non-audit services that may be provided by Deloitte, which was most recently updated in April 2020. The policy prohibits certain categories of work in line with relevant guidance on independence, such as the FRC Ethical Standard and rules issued by the SEC. The prohibited categories of work include advice on remuneration and on tax services being provided by Deloitte and a general default to an alternative provider elsewhere subject to adherence to regulations. Other categories of work may be provided by Deloitte if appropriate and if pre-approved by the Committee, either as individual assignments or as aggregate amounts for specified categories of services. All fees are summarised periodically for the Committee to assess the aggregate value of non-audit fees against audit fees. The level of fees for 2019 is shown in note 3 to the financial statements on page 154.

COMMITTEE COMPOSITION AND EVALUATION

The Committee and its members were formally assessed by the Nomination and Governance Committee as part of the review of Committee composition in 2019 and as part of the Board evaluation process described on page 103 for their technical suitability to be members and also for the Committee's overall effectiveness. The Board has designated the Committee Chairman as the Committee's financial expert for Sarbanes-Oxley Act (SOX) purposes and together with Tarek Farahat as having recent and relevant financial experience for the purposes of the UK Corporate Governance Code and competence in accounting or audit for the purposes of DTR 7.1. The members of the Committee are considered by the Board to be independent and (when considered as a whole) have competence relevant to the sectors in which the Company operates, and have financial experience as set out on pages 96 and 97.

Sandrine Dufour has been appointed as an additional member of the Committee with effect from 3 February 2020. Sandrine is currently Chief Financial Officer of Proximus and will become CFO of UCB on 1 July 2020. Sandrine has recent and relevant financial experience for the purposes of the UK Corporate Governance Code and competence in accounting or audit for the purposes of DTR 7.1.

TERMS OF REFERENCE

The Committee's terms of reference are adopted by the Board and reviewed annually by the Committee, most recently on 19 March 2020. A copy of the Committee's terms of reference is available on the Company's website at wpp.com/investors/corporate-governance.

Jacques Aigrain
Chairman of the Audit Committee
29 April 2020

COMPLIANCE WITH THE CODE

This statement of compliance summarises how the Company has implemented the principles and provisions of the 2018 UK Corporate Governance Code (the Code). The Code is available at www.frc.org.uk.

The Board considers that WPP complied in all material respects with the principles and provisions of the Code during 2019 except that we recognise that we have not complied fully with Provision 41 to engage with the workforce on alignment of executive pay with the wider Company pay policy nor Provision 38 in aligning Executive Director pension payments with the wider workforce. Both of these provisions will be addressed in 2020. The information provided below and on the next page sets out how the Company has applied the principles of the Code. In addition, we have included information in relation to those provisions in the Code that contain an explicit disclosure requirement.

1. BOARD LEADERSHIP AND COMPANY PURPOSE

A. BOARD'S ROLE

The Board is responsible to shareholders for the Company's financial and operational performance and risk management, and the culture embedded across the Group, and is collectively responsible for promoting the long-term success of the Company. There is a formal schedule of matters reserved to the Board which is published on the Company's website. The key focus of the Board's activities in 2019 have been oversight of the implementation of the three year transformation plan with considerable time devoted to the disposal of 60% of Kantar, board succession for both Non-Executive Directors and the new Chief Financial Officer, risk and controls as described on page 80 and the progress of embedding the right culture across the Group as described on pages 44 and 45 and in the Chief Executive's statement on page 3.

B. PURPOSE AND CULTURE

The Company's new purpose, values and standards were a fundamental part of the Group's transformation strategy announced in December 2018 and the Board is committed to championing and embedding these across the Group. The Board receives regular reports from the Chief People Officer on progress on delivering our new culture characterised by the values of openness, optimism and a commitment to extraordinary work, which is described in on page 45. In addition, the Audit Committee receives reports from the Head of Business Integrity on the Right to Speak reports received and how many of those relate to culture or behavioural issues and the cultural issues identified in the risk assessment conducted in 2019 across the Group and the actions to be taken to address the risks identified.

C. RESOURCES AND CONTROLS

The Board is responsible to shareholders for the Company's financial and operational performance and risk management. Matters delegated to the Chief Executive and Chief Financial Officer include managing the Group's business in line with the transformation plan and risk governance framework. The WPP Risk Committee established in 2019 together with the Risk Committees set up across the businesses also in 2019 assist the Board in the oversight and mitigation of risks to which the Group is or may be exposed. Further information about the Group's risk management can be found on page 80 including the details of the new business integrity function and the controls function.

D. STAKEHOLDER ENGAGEMENT

The relationship with shareholders, potential shareholders and investment analysts is given high priority by the Company as detailed on pages 104 and 105.

The Company has a well-developed and continuous programme to address the needs of shareholders, investment institutions and analysts for a regular flow of information about the Company, its strategy, performance and competitive position. Given the wide geographic distribution of the Company's current and potential shareholders, this programme includes regular visits to investors, particularly by the Chief Executive Officer, the Chief Financial Officer and the Group Investor Relations Director, in the UK, Continental Europe and the major financial centres in North America and also in Asia Pacific and Latin America. The Company's Chairman meets with investors and regularly consults with investors' governance representatives and advisory bodies. The Company provides a preliminary announcement, an interim management statement at the end of the first and third quarters that includes a trading update, an interim report at half year and a trading update and presentation at the AGM.

E. WORKFORCE ENGAGEMENT

To ensure the Board engages with the people working within the Group across 112 jurisdictions and multiple businesses and understands their views on WPP's purpose, values and strategy, the Board has adopted a number of engagement methods. The first People Forum was established in the UK in 2019 with the support of our UK Country Manager and further forums will be established in other countries starting with India in 2020. The Board has designated two of the Non-Executive Directors to be responsible for engaging with our people and ensure their voice is heard in the Board and for attending meetings of the forums. The Board receives regular reports from these Non-Executive Directors and further details can be found on page 106. The Chief Executive held the first Global Town Hall in 2019 and in 2020 WPP will launch the first Group-wide survey.

2. DIVISION OF RESPONSIBILITIES

F. THE ROLE OF THE CHAIRMAN

The Board is chaired by Roberto Quarta, who chairs the Nomination and Governance Committee and is a member of the Compensation Committee. The Chairman attended all meetings of the Audit Committee during 2019 at the invitation of its Chairman. The Chairman provides the leadership of the Board and is the main point of contact between the Board and the CEO. The Chairman represents the Board in discussions with shareholders and investor bodies, ensures that systems are in place to provide Directors with timely and accurate information, represents the Company in external meetings, and is also responsible for the Board governance principles. The Chairman has led the ongoing emphasis on management development and CEO and senior management succession planning.

G. COMPOSITION OF THE BOARD

As at the date of this report, the Board is composed of 15 Directors. Three current members are Executive Directors and 12, including the Chairman, are Non-Executive Directors. As discussed on page 101 each of the Non-Executive Directors is considered to be independent by the Nomination and Governance Committee.

Responsibility for the development and implementation of Company policy and strategy and for day-to-day management issues is delegated by the Board to the Chief Executive Officer and Chief Financial Officer. The list of matters reserved to the Board can be downloaded from wpp.com/investors/corporate-governance.

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 US standards, which is nine years. Three long-serving Non-Executive Directors Solomon Trujillo, Sir John Hood and Daniela Riccardi will not stand for re-election at the 2020 AGM.

H. ROLE OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors provide constructive challenge and assistance to the Chief Executive Officer in developing the Company's strategy.

The Senior Independent Director is Nicole Seligman who is available to shareholders and acts as a sounding board for the Chairman and as an intermediary for the other Directors with the Chairman, when necessary. The Senior Independent Director's role includes responsibility for the Chairman's appraisal and succession and this year the Board evaluation process. Nicole Seligman was appointed to the Board in January 2014 and is a

member of the Compensation Committee and the Nomination and Governance Committee. As the Senior Independent Director, Ms Seligman customarily attends the Audit Committee meetings at the invitation of the Chairman of that Committee.

Letters of appointment for Non-Executive Directors do not set out a fixed time commitment for Board attendance and duties but give an indication of the likely time required. It is anticipated that the time required by Directors will fluctuate depending on the demands of the business and other events.

Details of 2019 Board attendance at Board and Committee meetings are set out on page 100.

3. COMPOSITION, SUCCESSION AND EVALUATION

J. APPOINTMENTS TO THE BOARD

The Nomination and Governance Committee leads the process for appointments to the Board and makes recommendations to the Board. The Nomination and Governance Committee is chaired by the Chairman of the Board and comprises only Non-Executive Directors. The terms of reference of the Nomination and Governance Committee are available on the Company's website at wpp.com/investors/corporate-governance. During 2019, three Non-Executive Directors were appointed to the Board, Cindy Rose OBE on 1 April 2019, Jasmine Whitbread on 1 September 2019 and Keith Weed on 1 November 2019. In addition, Sandrine Dufour was appointed to the Board as a Non-Executive Director and John Rogers was appointed as Chief Financial Officer Designate and elected to the Board on 3 February 2020. For more details on the appointment process refer to the Nomination and Governance Committee report on page 108. Three Non-Executive Directors will be retiring at the AGM in 2020 and Paul Richardson will retire from the Company on 1 May 2020, following which the Board will be composed of 11 Directors. The independence of each Non-Executive Director is assessed annually by the Board. The Board has confirmed that all of the Non-Executive Directors standing for election and re-election at the 2020 AGM continue to demonstrate the characteristics of independence.

K. SKILLS, EXPERIENCE AND KNOWLEDGE OF THE BOARD AND ITS COMMITTEES

The Non-Executive and Executive Directors have a diverse range of skills, experience and backgrounds. As detailed in their biographies on pages 96 and 97, the Directors work across the globe in media and advertising, investment banking and investment management, pharmaceuticals, logistics and bioenergy, FMCG, international management consulting, private equity and angel investing, business education, manufacturing, consumer products and retail management, internet start-ups, government and non-profit organisations. The Board is committed to ensuring that all appointments to the Board are made on merit and after a thorough recruitment process as detailed on page 108 and with due regard for diversity and inclusion.

L. BOARD EVALUATION

Nicole Seligman, the Senior Independent Director, has conducted an internal evaluation of the effectiveness of the Board in 2019, building on the work of Dr Tracy Long of Boardroom Review Limited, an external facilitator with no connection to WPP, who was engaged to lead the Board effectiveness evaluation in 2018. More information on the evaluation is on page 103.

4. AUDIT, RISK AND INTERNAL CONTROL

M. INTERNAL AND EXTERNAL AUDIT

The Audit Committee monitors the independence and effectiveness of the internal audit function and external auditors and receives regular reports from each at the Audit Committee meetings and reports back to the Board at each Board meeting. Refer to the Audit Committee report on pages 109-111 for details of the work of the Audit Committee during 2019. Details of the Company's internal audit function are included on page 83.

N. FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT

The Board is responsible for the presentation of a fair, balanced and understandable assessment of the Company's position and prospects, within the Annual Report as well as in all publicly available financial information. We have an appropriate system in place to meet this responsibility. See page 109 for further information.

O. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is responsible for aligning the risk appetite of the Group with the long-term strategic objectives, taking into account the principal and emerging risks faced by the Group. See pages 80-83 for further details of our risk management framework.

5. REMUNERATION

P. REMUNERATION POLICIES AND PRACTICES

The Company's compensation policy is designed to attract the best talent and ensure people are rewarded fairly and competitively. The policy sets out a reward structure that looks at the short, medium and long term and is designed to promote sustainable performance aligned with shareholder interests. Shareholders approved the Directors' Compensation Policy at the 2017 AGM and this is available on the Company's website.

Q. PROCEDURE FOR DEVELOPING REMUNERATION POLICY

The Compensation Committee is responsible for setting and managing the compensation of all Executive Directors. Controls and procedures are in place to manage compensation of all other employees in the Group. Refer to the Compensation Committee report on pages 114-137 for details of the work of the Compensation Committee during 2019.

R. EXERCISING INDEPENDENT JUDGEMENT

The Compensation Committee is composed of five Non-Executive Directors who meet both with and without management present and who seek where appropriate, independent advice from Towers Watson and external lawyers, to ensure independent judgement. The Compensation Committee determines remuneration outcomes by assessing executive performance against performance criteria which are set out in the Compensation Committee report on pages 114-137.

COMPENSATION COMMITTEE REPORT

LETTER FROM THE CHAIRMAN OF THE COMPENSATION COMMITTEE

"THE COMMITTEE'S KEY FOCUS IS TO ENSURE OUR COMPENSATION STRUCTURE ALIGNS THE INTERESTS OF EXECUTIVES TO THOSE OF OUR SHAREHOLDERS AND IS IMPLEMENTED FAIRLY AND RESPONSIBLY."

Sir John Hood
Chairman of the
Compensation Committee

Committee Members in 2019

- Sir John Hood (Chairman)
- Jacques Aigrain
- Roberto Quarta
- Nicole Seligman
- Jasmine Whitbread
(appointed 1 September 2019)

Highlights

- Reviewing the Directors' Compensation Policy
- Proposing changes to ensure alignment with strategy and changes to the UK Corporate Governance Code
- Consultation with our shareholders

Key responsibilities

- Aligning compensation to business strategy and shareholder interests
- Setting measures and targets for the incentive plans
- Ensuring that our practice aligns with corporate governance standards

DEAR SHAREHOLDER,

I am pleased to present the Directors' Compensation report for the financial year ended 31 December 2019. In my introductory letter I describe the key items considered by the Committee during the year, including the review of our Compensation Policy, annual short- and long-term incentive outcomes, and Executive Director appointment and departure terms.

The Company issued on 31 March 2020 an update on the impact of Covid-19 on the Company and the measures taken to protect our employees, clients and the financial position of the business. Included within the announcement was a plan to cut costs and this included a decision for the Board, as well as members of the WPP Executive Committee, to take a 20% reduction in their salaries or fees for an initial period of three months. These have been implemented effective 1 April 2020.

In line with the three-year life cycle, a new Directors' Compensation Policy is being put forward to a binding shareholder vote at our 2020 AGM. On the following pages, I have set out our new Compensation Policy and our Annual report on compensation for 2019, which explains how we implemented the Policy previously approved by shareholders, as well as how we intend to implement the new Compensation Policy if approved at the AGM. The Annual report on compensation will be subject to an advisory shareholder vote.

CHANGES TO THE DIRECTORS' COMPENSATION POLICY

During 2019 the Committee spent a considerable amount of time debating the changes that were needed to the Directors' Compensation Policy. Our focus was on ensuring that it was aligned with the new WPP strategy and provided the right tools to enable the Company to attract and retain the quality of talent required in this complex organisation. We were also committed to ensuring our new Compensation Policy adheres to the principles of good governance as set out in the UK Corporate Governance Code. The changes to the policy, on which we have consulted with our



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

shareholders, are set out in summary and detail later in the report. There are some important changes to which I would like to draw your attention.

For many years, WPP has utilised a long-term incentive plan based on a five-year performance and vesting period. In recent years it has become clear that a five-year performance period was poorly aligned to the business cycle and speed of change within our industry. It has lost some of its effectiveness as an incentive to motivate management and was unattractive to new hires. We are therefore proposing to adopt the more commonly used UK approach of a performance share plan with a three-year performance period followed by a two-year holding period for the vested shares. While making this change, we have also taken the opportunity to review the performance measures to ensure they align to the WPP strategy. For 2020, we will assess performance using three measures: total shareholder return (TSR), return on invested capital (ROIC) and cumulative free cash flow (CFCF).

The effects of the Covid-19 virus on our business are not yet clear but it will have a material adverse impact on our financial results. We are therefore taking the unusual step of not, at this stage, setting out the financial targets for the ROIC and CFCF measures which would be set using 2020 financial forecasts. However, shareholders will be consulted on the targets before any awards are granted later in the year when the situation is clearer.

The other key changes we are proposing respond to the enhancements in the Corporate Governance Code and the developments in the UK market with the inclusion of a stronger set of malus and clawback conditions providing the Committee with much broader powers, the formal inclusion of post-employment shareholding requirements and the alignment of the executive directors' pension provision with that of the wider UK workforce.

PAY FOR PERFORMANCE 2019

WPP operates an annual short-term incentive plan that is strongly aligned to performance, measured against targets set at the start of the year, for revenue, margin and profit. In 2019, the first complete year under the leadership of Mark Read who, with his management team, started implementing the transformation strategy that he set out to shareholders in late 2018, the executives produced a strong performance in challenging market conditions.

The individual strategic objectives of the executives, which covered a range of business priorities including the sale of a majority share of Kantar, further strengthening of financial controls and efficiencies, and people, culture and diversity, were successfully delivered and these are reflected in the STIP outcomes set out in detail in the report.

The 2015 Executive Performance Share Plan (EPSP) award completed its five-year performance period at the end of the financial year. Over the performance period, our TSR and earnings per share (EPS) performance were below the targets that we had set resulting in a zero-vesting result for those performance elements. The return on equity (ROE) target was met resulting in a modest vesting level and small payout to the executives.

BOARD CHANGES

As previously announced, Paul Richardson will step down from the Board and his position as Group Finance Director with effect from 1 May 2020. The Committee has agreed that Paul will be treated in accordance with the Policy and will be paid his salary, pension and benefits up to his leaving date. In addition, he will be paid for his outstanding holiday entitlement. He will be ineligible for any STIP in 2020 and also for the 2019 deferred share bonus award. His outstanding share awards will be prorated, and to the extent performance targets are achieved, will vest on the scheduled vesting dates. Paul will be required to hold shares equal to 300% of his salary for one year post-retirement and 150% of his salary for the second year.

Paul will be succeeded by John Rogers, who joined the Company in January 2020 and was appointed to the Board as Chief Financial Officer Designate on 3 February 2020. John was appointed on a competitive salary package in line with our Policy, that we disclosed on the announcement of his appointment.

This is my last letter and report to shareholders of WPP as I will be stepping down at the AGM. During my tenure, with the support of my fellow Committee members, I believe we have addressed the many challenges that have been presented to us and are now in a position where we have a policy and set of plans that meet the highest levels of UK corporate governance. I am handing over the chair to Jasmine Whitbread who has been a member of our Committee during the last year and brings considerable relevant experience to the role.

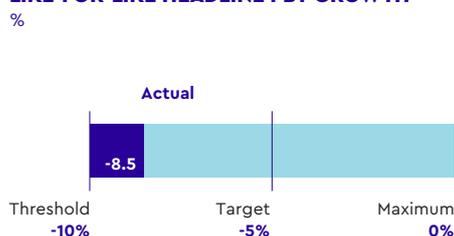
I would like to take the opportunity to acknowledge and thank my fellow Committee members, management and advisors for their support during my period as Committee Chairman.

Sir John Hood
Chairman of the
Compensation Committee
29 April 2020

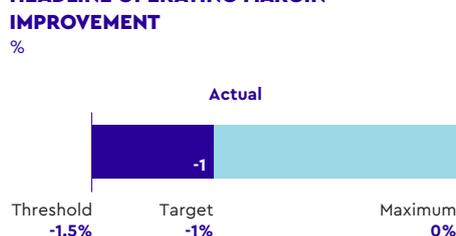
COMPENSATION AT A GLANCE

GROUP FINANCIAL PERFORMANCE MEASURES 2019

LIKE-FOR-LIKE HEADLINE PBT GROWTH



HEADLINE OPERATING MARGIN IMPROVEMENT



LIKE-FOR-LIKE GROWTH IN REVENUE LESS PASS-THROUGH COSTS



LONG-TERM PERFORMANCE

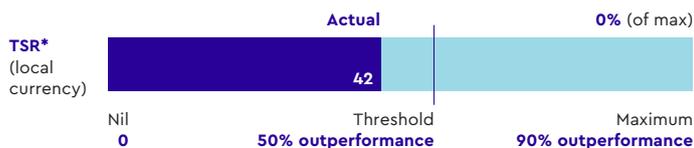
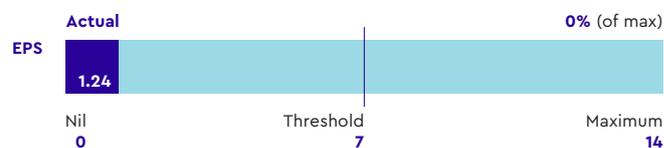
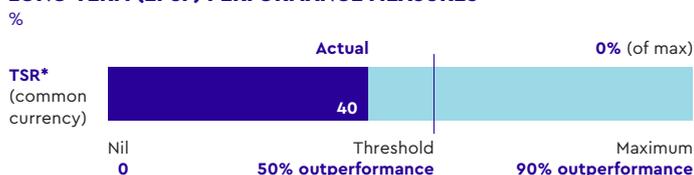
WPP Total Shareholder Return (TSR)
%

	FTSE 100	S&P 500	WPP
20Y	135	319	131
10Y	115	363	160
5Y	35	116	(4)
1Y	14	22	27



Source: DataStream. TSR calculated up until 31 December 2019.

LONG-TERM (EPSP) PERFORMANCE MEASURES

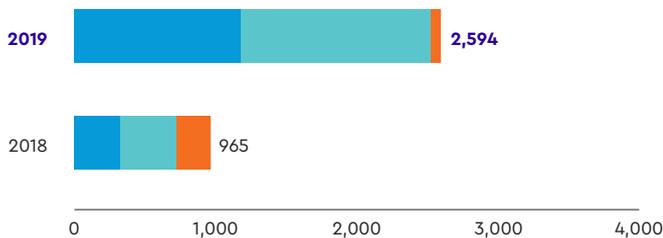


* Outperformance of peer group

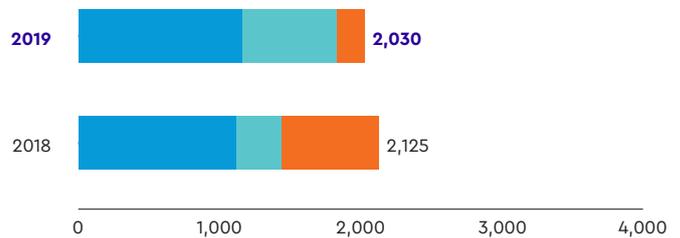
TOTAL COMPENSATION 2019

£000

Mark Read*



Paul Richardson



- Fixed, consisting of base salary, benefits and pension
- Short-term incentives (STIP)
- Long-term incentives Executive Performance Share Plan (EPSP)

* Mark Read was appointed as CEO on 3 September 2018 and his total compensation for 2018 reflects his time in role.

HOW WE WILL IMPLEMENT OUR PROPOSED COMPENSATION POLICY IN 2020

	Policy	2020	2021	2022	2023	2024	Implementation for 2020
Base salary	Typically 24-month review period, with flexibility for annual review if appropriate						Mark Read: £975,000* John Rogers: £740,000*
Benefits	A fixed benefits allowance will be provided as an alternative to the provision of itemised benefits, to be used at the executive's discretion						Mark Read: £35,000 John Rogers: £30,000
Pension	Pension is provided by way of a contribution to a defined contribution arrangement, or a cash allowance, determined as a percentage of base salary						Mark Read*: 17.6% John Rogers: 10% * To be reduced during the policy period as part of plans to align executive pensions with the wider workforce.
Short-term incentives	<ul style="list-style-type: none"> - 75%-100% financial - 0%-25% individual strategic objectives - One-year performance period - 60% cash, at least 40% deferred into WPP shares (two years) 	Cash	Deferred shares				Mark Read: 0-250% John Rogers: 0-225% 75% financial and 25% non-financial targets
Long-term incentives	<ul style="list-style-type: none"> - TSR, ROIC and Cumulative Free Cash Flow - Three-year performance period - Two-year holding period 	Performance period			Holding period		Mark Read: 0-350% John Rogers: 0-300%

DIRECTORS' COMPENSATION POLICY

This section of the report sets out the Directors' Compensation Policy which shareholders will be asked to approve at the 2020 AGM. Until this time, the Policy approved by shareholders on 7 June 2017 will continue to apply.

SUMMARY OF PROPOSED CHANGES TO THE DIRECTORS' COMPENSATION POLICY

ELEMENT OF COMPENSATION	PROPOSED CHANGES
● Base salary	<p>The new policy allows for flexibility to review base salaries on an annual basis rather than biennially if the Committee deems this appropriate. The Compensation Committee will also have the discretion to realign base salary over a phased period for new Board appointments whose starting salary is below the competitive market level.</p> <p>The inclusion of a £100,000 Director fee has been removed. This was a legacy arrangement applicable to Paul Richardson only.</p>
● Benefits	<p>The annual fixed benefits allowance has been reduced from £200,000 for the CEO and £85,000 for the CFO to a maximum of £50,000 for all executives.</p>
● Pension	<p>Following the provisions in the new UK Corporate Governance Code to align executive pensions with those of the wider workforce, we have reduced the pension provision available to new Executive Directors to 10%. This level has been applied to the newly appointed Chief Financial Officer. Over the course of the next policy period, the CEO's contribution will be phased down to this level. During 2020, as far as practicable, the average maximum pension contribution available to employees across the UK will be increased to 10% from the current average rate of 5% to ensure alignment.</p>
● Short-term incentive plan	<p>The overall quantum of the short-term incentive plan has been reduced from a maximum of 400% of base salary for the CEO and 250% of base salary for other directors to a maximum of 250% of base salary for all executives. The target incentive is 50% of maximum for all directors. A significant proportion of the STIP will continue to be deferred into shares for a period of two years. Performance measures and targets are reviewed annually to ensure they align with current business priorities.</p>
● Long-term incentive plan – Executive Performance Share Plan (EPSP)	<p>Structure:</p> <p>The performance period for the EPSP has been reduced from five years, to three years combined with a two-year holding period. The change in performance period is designed to enhance alignment to Company business strategy and improve the effectiveness of the plan to attract, retain and motivate executives. The overall five-year holding period maintains the long-term alignment with shareholders that is a critical feature of the policy.</p> <p>Current</p>  <p>Five-year performance period</p> <p>▼</p> <p>Proposed</p>  <p>Three-year performance period Two-year holding period</p> <p>Performance measures:</p> <p>The current EPSP financial measures of EPS and ROE will be replaced with cumulative free cash flow (CFCF) and return on invested capital (ROIC). These measures have been chosen on the basis that they are closely aligned with the WPP strategy to ensure long-term efficiency, profitability and cash generation. In addition, the TSR peer group will be reviewed to reflect the current key competitors of the Company.</p> <p>Current</p>  <p>TSR EPS ROE</p> <p>▼</p> <p>Proposed</p>  <p>TSR Cumulative Free Cash Flow Return on Invested Capital</p> <p>Quantum:</p> <p>The new policy proposes a reduction in maximum from 975% of base salary to 400% of base salary. The maximum level will be used in exceptional circumstances only. The threshold vesting level will increase from 15% to 20%.</p>

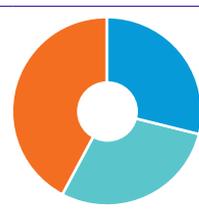
OVERVIEW OF OTHER CHANGES TO POLICY

POLICY AREA	PROPOSED CHANGES
<ul style="list-style-type: none"> ● Post-employment shareholding requirements 	<p>Post-employment shareholding requirements will be formally introduced requiring Executive Directors to hold 100% of their shareholding requirement for the first year following departure, reducing to 50% for the second year. The post-employment requirement was set taking into account the level of the shareholding requirement for the CEO and CFO at 600% and 300% respectively which is considerably higher than typical UK market norms.</p>
<ul style="list-style-type: none"> ● ● Malus and clawback 	<p>A standalone malus and clawback policy has been implemented which applies to all the incentive plans. The policy includes a broad list of events in which malus and clawback may be applied and a defined decision-making process. The Compensation Committee have far-reaching powers to ensure they can use judgement in a broad range of circumstances.</p>
<p>Appointments to the Board</p>	<p>The aggregate maximum level of ongoing variable compensation that can be awarded to a newly appointed Executive Director has been reduced from 8 times to 6.5 times base salary. This aligns with changes to limits on short- and long-term incentive levels.</p>

GUIDING PRINCIPLES

Our Directors' Compensation Policy is designed in the context of the UK Corporate Governance Code to attract and retain best-in-class talent and incentivise Directors to deliver growth, creativity and outstanding performance, thereby producing long-term value for shareholders.

The WPP Directors' Compensation Policy is determined by the following guiding principles:

 <p>PERFORMANCE-DRIVEN REWARD</p>	<p>Our compensation structure has a high proportion of performance-based variable compensation.</p>	 <ul style="list-style-type: none"> ● Fixed pay / 29% ● STIP / 29% ● EPSP / 42% <p>Value of CEO's compensation package at target</p>
 <p>COMPETITIVENESS</p>	<p>Director compensation is designed to attract and retain best-in-class talent.</p>	
 <p>LONG-TERM ALIGNMENT WITH SHAREHOLDER INTERESTS</p>	<p>Director pay packages have a large portion paid in the form of shares linked to strategically aligned performance measures. Directors have significant share ownership requirements both during and post-employment.</p>	
 <p>ALIGNMENT TO WPP STRATEGY AND VALUES</p>	<p>Our incentive plans are structured in a way that drives performance in line with strategy and promotes long-term alignment with shareholders.</p>	

ALIGNING INCENTIVE PLANS WITH STRATEGY

Performance measures are selected to align to the immediate and long-term business strategic priorities appropriate at the time.



CONSIDERATIONS TAKEN INTO ACCOUNT WHEN SETTING OUR DIRECTORS' COMPENSATION POLICY EMPLOYMENT CONDITIONS AT WPP

We have set the WPP Directors' Compensation Policy in the context of the policies and practices that apply to the wider workforce.

SHAREHOLDER VIEWS

The Committee has consulted with key shareholders throughout the development of the updated Directors' Compensation Policy. The feedback received during these conversations was valuable and was among the factors that informed the decisions made by the Committee. WPP has worked diligently to listen to all views and create a policy that is both acceptable to shareholders as well as attractive to and likely to retain Executive Directors. WPP continues to engage openly with shareholders and institutional investors to discuss matters relating to compensation.

PROPOSED NEW POLICY FIXED ELEMENTS OF COMPENSATION

COMPONENT, PURPOSE AND LINK TO STRATEGY

OPERATION

OPPORTUNITY

● Base salary

To maintain package competitiveness and reflect skills and experience; to enable recruitment and retention.

Base salary is typically reviewed every two years but may be reviewed annually if the Committee deems appropriate.

The Committee may realign base salary over a phased period for new Board appointees who start on a lower-than-market salary.

Salary levels and increases take into consideration:

- 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.

Increases above the normal level may be made to take into account special circumstances such as:

- 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.

● 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.

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.

Should the executive be required to move to a different country, a relocation benefit may be provided in addition to the usual benefit allowance.

The maximum benefit allowance payable is £50,000.

COMPONENT, PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY
<p>● Pensions</p> <p>To enable provision for retirement benefits.</p>	<p>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>	<p>Executive Director: 10% of base salary.</p> <p>Current: CEO – 20% of base salary less Employer's NIC (17.6% net) reducing to 10% over the 2020 to 2022 Policy period.</p> <p>CFO – 10% of base salary.</p>

VARIABLE ELEMENTS OF COMPENSATION

COMPONENT, PURPOSE AND LINK TO STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE
<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 the 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>● 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 share owners.</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 2020 the measures will be relative TSR, ROIC and cumulative free cash flow.</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>Full details of the awards are in the Annual report on compensation.</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 share ownership guidelines 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 guideline level.</p>	<p>If an Executive Director fails to achieve the required levels of share ownership, 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 ownership guidelines.</p> <p>If the Executive Director fails to maintain their shareholding requirement post-employment, this may result in a reduction of outstanding awards.</p>

NOTES TO THE POLICY TABLE

Plan rules

Copies of the various plan rules are available for inspection at the Company's registered office and head office.

The Directors' Compensation Policy table for Executive Directors provides a summary of the key provisions relating to their ongoing operation.

The Committee has the authority to ensure that any awards being granted, vested or lapsed are treated in accordance with the plan rules which are more extensive than the summary set out in the table.

Selection of performance measures

Performance measures are selected by the Committee based on their alignment with strategic priorities and the key metrics used across the business.

STIP

STIP measures are reviewed annually by the Committee taking into account business performance and priorities. The performance targets for the STIP are set to incentivise year-on-year growth and to reward strong, sustainable performance. Strategic targets are based upon the annual business priorities. The Committee is of the view that the 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. The Committee will disclose those targets at the end of the relevant performance period in that year's Annual Report, if those targets are no longer commercially sensitive.

EPSP

The EPSP performance measures are selected to complement the annual STIP measures and capture the longer-term performance of the Company.

Cumulative free cash flow is a measure that is important for both management and our shareholders, capturing growth in revenue and profitability. Return on invested capital is similarly important and provides a positive counterbalance and risk management mechanism through the focus on both growth and capital efficiencies. With the inclusion of relative TSR, the plan also takes account of shareholder views of how WPP has performed relative to the companies in the peer group.

Operational targets under the EPSP are set taking into account a combination of factors, but primarily internal forecasts, analysts expectations and historical performance relative to budgets.

Relative TSR targets are set to ensure they are stretching and require out-performance of half of our peer group before any reward is triggered.

Cascade to WPP Group pay policy

As well as setting the policy for the Executive Directors, the Committee is also responsible for managing the compensation of the Executive Committee and the Company Secretary.

Compensation packages for these individuals are normally reviewed every 18-24 months. As is the case for Executive Directors, the WPP Group pay policy ensures a clear and direct link between the performance of the Group or relevant operating company and compensation. Substantial use of performance-driven compensation not only

ensures the continued alignment of the interests of shareholders and senior individuals within the Group, but also enables the Group to attract, retain and motivate the talented people upon whom our success depends.

Stock Plan 2018

The WPP plc Stock Plan 2018 is used to satisfy awards under the short-term incentive plans (including ESAs) as well as to grant awards to management under the WPP Leaders, Partners and High Potential programme. In this programme, awards are made to participants that vest three years after grant, provided the participant is still employed within the Group.

Executive Directors, and other senior management employees, receive part of their annual bonus entitlement as a deferred share award (ESA) under the Stock Plan 2018. Executive Directors are ineligible to participate in any other aspect of the management share award programme, other than in relation to awards granted prior to appointment or in relation to awards granted to buy-out previous awards on appointment.

Share Option Plan 2015

The WPP plc Share Option Plan 2015 is an all-employee plan that makes annual grants of stock options to employees with two years of service who work in wholly-owned subsidiaries. This plan replaced the legacy Worldwide Ownership Plan.

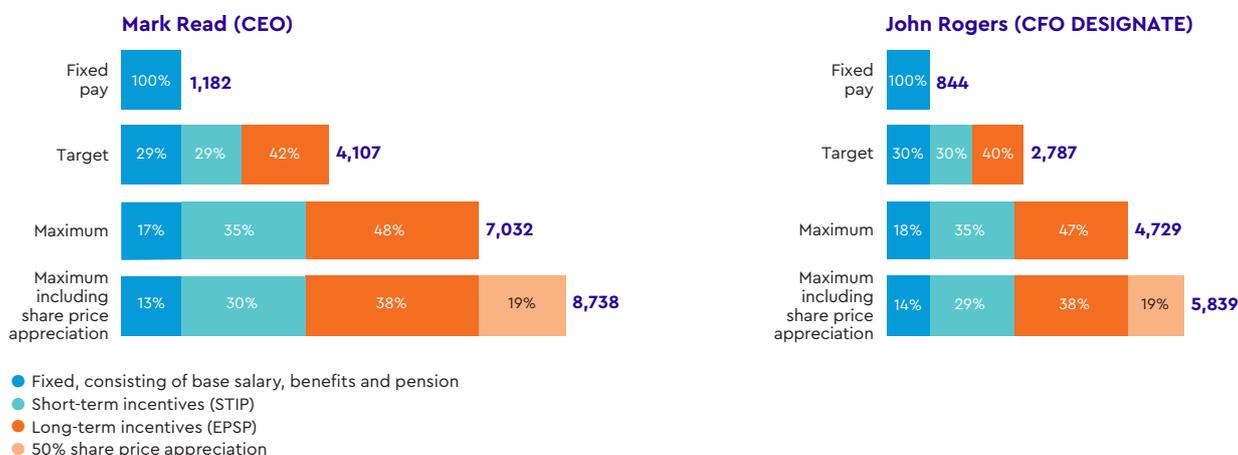
The WPP plc Share Option Plan 2015 has the capability to make grants of executive share options.

ILLUSTRATIONS OF TOTAL COMPENSATION

The charts below provide an illustration of the potential future total remuneration of the Executive Directors. Four scenarios of potential outcomes are provided based on the assumptions set out in the notes below the charts. The charts are reflective of the pay policy that is being presented for approval at the 2020 AGM.

COMPENSATION SCENARIOS

£000



NOTES TO THE COMPENSATION SCENARIO CHARTS

The scenarios in the charts on the previous page have been calculated based on the following assumptions:

Fixed pay	Consists of base salary, benefits and pension Base salary reflects current levels Pension reflects current levels
Target	Assumes target STIP of 50% of maximum Assumes EPSP vesting of 50% of maximum
Maximum excluding any share price growth	Assumes maximum STIP and maximum EPSP
Maximum including 50% share price growth	Assumes maximum STIP, maximum EPSP and 50% share price appreciation on the EPSP element of the package

APPOINTMENTS TO THE BOARD

This section sets out details with respect to the appointment of a new Executive Director to the Board of WPP, whether it is an external or internal appointment.

FIXED COMPENSATION

Base salary will be set considering a range of factors, including the profile and prior experience of the candidate, internal relativities, cost and external market data. If base salary is set at a lower initial level, contingent on individual performance, the Committee retains the discretion to realign the base salary over a phased period of one to three years following appointment, which may result in an exceptional rate of annualised increase in excess of that set out in the policy table.

Other elements of fixed pay will be set in accordance with the policy table. A new appointment may require the Committee to rely on the authorised discretion (as set out on page 120) to make payments related to relocation, for example, in order to facilitate the appointment.

ONGOING VARIABLE COMPENSATION

The Committee will seek to pay only that level of reward necessary to recruit the exceptional talent needed to lead such a complex global group. The actual level of incentive offered will be dependent on the role and existing package of the candidate. The aggregate maximum face value for annual short- and long-term variable compensation will be 6.5 times base salary.

The Committee retains the discretion to make awards on recruitment, within the policy limits, to provide an immediate alignment of interest with the interests of shareholders.

BUY-OUT AWARDS

The Committee may consider buying-out compensation entitlements that the individual has had to forfeit by accepting the appointment. The structure and value of the awards will be informed by the structure and value of those entitlements being forfeited, and the performance targets, time horizon and method of payment will be set in an appropriate manner at the discretion of the Committee.

The intention of the Committee is that any award will take the form of WPP shares and will be subject to performance as far as possible.

An announcement of the director's appointment, detailing the incumbent's compensation will be made on a timely basis through a regulatory information service and posted on the Company's website.

SERVICE CONTRACTS

The following terms will apply for any new executive role appointed to the Board in the future:

- executives will normally be appointed on a notice period of up to 12 months, although the Committee retains the discretion to appoint an external candidate on a notice period of up to 24 months reducing on a rolling basis to 12 months (such that after 12 months' service the notice period would have reverted to the standard 12 months).
- at the Committee's discretion, any payment in lieu of notice will be restricted to base salary, benefits and pension. On termination, entitlements will lapse when classified as a bad leaver (defined within the incentive plans).

Otherwise base salary, benefits and pension allowance are payable as per the notice period and the Committee will have the power to make phased payments that would be reduced or stopped if alternative employment is taken up.

TERMS SPECIFIC TO INTERNAL APPOINTMENTS

The Committee can honour any pre-existing commitments if an internal candidate is appointed to the Board.

SERVICE CONTRACTS

The Company's policy on Executive Directors' service contracts is that they should be on a rolling basis without a specific end date.

The effective dates and notice periods under the current Executive Directors' service contracts are shown in this table:

Name	Effective from	Notice period
Mark Read	3 September 2018	12 months
John Rogers	27 January 2020	12 months

The Executive Directors' service contracts are available for inspection at the Company's registered office and head office

LOSS OF OFFICE PROVISIONS

FIXED COMPENSATION ELEMENTS

As noted above, the service contracts of executives provide for notice to be given on termination.

The fixed compensation elements of the contract will continue to be paid in respect of any notice period. There are no provisions relating to payment in lieu of notice. If an Executive Director is placed on garden leave, the Committee retains the discretion to settle benefits in the form of cash. The Executive Directors are entitled to compensation for any accrued and unused holiday although, to the extent it is possible and in shareholder interests, the Committee will encourage Executive Directors to use their leave entitlements prior to the end of their notice period. Except in respect of any remaining notice period, no aspect of any Executive Director's fixed compensation is payable on termination of employment.

SHORT- AND LONG-TERM COMPENSATION ELEMENTS

If the Executive Director is dismissed for cause, there is not an entitlement to a STIP award, and any unvested share-based awards will lapse. Otherwise, the table below summarises the relevant provisions from the Directors' service contracts (cash bonus) and the plan rules (ESA and EPSP), which apply in other leaver scenarios. As noted on page 122, the Committee has the authority to ensure that any awards that vest or lapse are treated in accordance with the plan rules, which are more extensive than the summary set out in the table below.

Cash bonus	The Executive Directors are entitled to receive their bonus for any particular year provided they are employed on the last date of the performance period.
ESA	Provided the Executive Director is a Good Leaver, unvested awards will be reduced on a time pro-rata basis and paid on the vesting date.
EPSP	<ul style="list-style-type: none"> - The award will lapse if the Executive Director leaves during the first year of a performance period. - Provided the Executive Director is a Good Leaver, awards will vest subject to performance at the end of the performance period and time pro-rating. Awards will be paid on the normal date. - In exceptional circumstances, the Compensation Committee may determine that an award will vest on a different basis. - Generally, in the event of death, the performance conditions are to be assessed as at the date of death. However, the Committee retains the discretion to deal with an award due to a deceased executive on any other basis that it considers appropriate. - Awards will vest immediately on a change-of-control subject to performance and time pro-rating will be applied unless it is agreed by the Committee and the relevant Executive Director that the outstanding awards are exchanged for equivalent new awards.

OTHER COMMITTEE DISCRETIONS NOT SET OUT ABOVE

Leaver status: the Committee has the discretion to determine an executive's leaver classification considering the guidance set out within the relevant plan rules.

Settlement agreements: the Committee is authorised to reach settlement agreements with departing executives, informed by the default position set out above.

EXTERNAL APPOINTMENTS

Executive Directors are permitted to serve as non-executives on the boards of other organisations. If the Company is a shareholder in that organisation, non-executive fees for those roles are waived. However, if the Company is not a shareholder in that organisation, any non-executive fees can be retained by the office holder.

DIRECTORS' COMPENSATION POLICY TABLE – CHAIRMAN AND NON-EXECUTIVE DIRECTORS

The following table sets out details of the ongoing compensation elements for WPP's Chairman and Non-Executive Directors. No element of pay is performance-linked.

<p>Base fees To reflect the skills and experience and time required to undertake the role.</p>	<p>Fees are reviewed at least every two years and consider the skills, experience and time required to undertake the role, as well as fee levels in similarly-sized UK companies.</p> <p>The Chairman and Non-Executive Directors receive a "base fee" in connection with their appointment to the Board.</p>	<p>An overall cap on all non-executive fees, excluding consultancy fees, will apply consistent with the prevailing and shareholder-approved limit in the Articles of Association.</p>
<p>Additional fees To reflect the additional time required in any additional duties for the Company.</p>	<p>Non-Executive Directors are eligible to receive additional fees in respect of serving as:</p> <ul style="list-style-type: none"> - Senior Independent Director - Chairman of a Board Committee - Member of a Board Committee - Consultancy fees in respect of other work that falls outside the remit of their role for the Company. 	<p>An overall cap on all non-executive fees, excluding consultancy fees, will apply consistent with the prevailing and shareholder-approved limit in the Articles of Association.</p> <p>Consultancy fees will be set on a discretionary basis, taking account of the nature of the role and time required.</p>
<p>Benefits and allowances To enable the Chairman and Non-Executive Directors to undertake their roles.</p>	<p>The Company will reimburse the Chairman and Non-Executive Directors for all reasonable and properly documented expenses incurred in performing their duties of office.</p> <p>The Company may provide additional allowance to facilitate the operation of the Board such as a travel allowance for attendance at international meetings.</p> <p>In the event that the reimbursement of these expenses gives rise to a personal tax liability for the Chairman or Non-Executive Director, the Company retains the discretion to meet this cost (including, where appropriate, costs in relation to tax advice and filing).</p> <p>While not currently offered, the Company retains the discretion to pay additional benefits to the Chairman including, but not limited to, use of car, office space and secretarial support.</p>	<p>Benefits and allowances for the Chairman will be set at a level that the Committee feels is required for the performance of the role.</p>

OTHER CHAIRMAN AND NON-EXECUTIVE DIRECTOR POLICIES

LETTERS OF APPOINTMENT FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

Letters of appointment have a one- to two-month notice period and there are no payments due on loss of office.

APPOINTMENTS TO THE BOARD

Letters of appointment will be consistent with the current terms as set out in this Annual Report. The Chairman and Non-Executive Directors are not eligible to receive any variable pay. Fees for any new Non-Executive Directors will be consistent with the operating policy at their time of appointment. In respect of the appointment of a new Chairman, the Committee has the discretion to set fees considering a range of factors including the profile and prior experience of the candidate and external market data.

PAYMENTS IN EXCEPTIONAL CIRCUMSTANCES

In unforeseen and exceptional circumstances, the Committee retains the discretion to make emergency payments which might not otherwise be covered by this policy. The Committee will not use this power to exceed the recruitment policy limit, nor will awards be made in excess of the limits set out in the Directors' Compensation Policy table. An example of such an exceptional circumstance could be the untimely death of a director, requiring another director to take on an interim role until a permanent replacement is found.

ANNUAL REPORT ON COMPENSATION

This section of the report sets out details of how the Directors' Compensation Policy was implemented in 2019. We start by setting out the details of the operation of the Compensation Committee and then present a summary of the 2019 Director compensation together with a summary of pay across the Group.

Payments have been made in accordance with the previously approved Directors' Compensation Policy, approved by shareholders at the 2017 AGM. The information included in this section has been audited where stated.

We are presenting an updated Directors' Compensation Policy for approval by shareholders at the 2020 AGM.

GOVERNANCE IN RELATION TO COMPENSATION

During 2019, the Compensation Committee met seven times on a formal basis, with additional informal meetings held as needed to deal with ad hoc matters. A table of Board and Committee attendance can be found on page 100.

The Committee members have no personal financial interest (other than as a shareholder as disclosed on page 135) 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 Group's businesses. The terms of reference for the Compensation Committee are available on the Company's website, and will be on display at the AGM, as set out in the Notice of AGM.

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 (who is not present when matters relating to his own compensation or contracts are discussed and decided), the Company Secretary, the Chief People Officer and the Worldwide Compensation & Benefits 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 Company's external advisors.

EXTERNAL ADVISORS

The Committee retains Willis Towers Watson (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 2019, WTW received fees of £218,746 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.

CHANGES IN EXECUTIVE DIRECTORS

Paul Richardson will retire from the Company with effect from 1 May 2020. He will be succeeded by John Rogers, who joined the Company on 27 January 2020 as Chief Financial Officer Designate.

STATEMENT OF SHAREHOLDER VOTING

The result of the shareholder vote at the Company's 2019 AGM in respect of the 2018 Compensation Committee Report is set out below along with the result of the vote on the Directors' Compensation Policy at the 2017 AGM:

Voting outcome for 2018 Compensation Committee Report (At 2019 AGM)

Resolution	VOTES FOR		VOTES AGAINST		VOTES CAST	VOTES WITHHELD
	Number	%	Number	%	Number	Number
To approve the Compensation Committee Report	908,298,510	93.65%	61,541,791	6.35%	969,840,301	159,807

Voting outcome for 2017 Compensation Policy (At 2017 AGM, when the current policy was approved)

Resolution	VOTES FOR		VOTES AGAINST		VOTES CAST	VOTES WITHHELD
	Number	%	Number	%	Number	Number
To approve the Compensation Policy	869,083,431	91.71	78,532,980	8.29	947,616,411	17,339,998



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

EXECUTIVE DIRECTORS' TOTAL COMPENSATION RECEIVED (AUDITED)

Single total figure of remuneration

		Base salary £000	Benefits £000	Pension £000	Short-term incentive £000		Long-term incentive ⁴ £000	Total annual remuneration £000
					Cash	Deferred		
Mark Read ¹	2019	975	35	171	805	537	71	2,594
	2018	325	12	57	146	98	327	965
Paul Richardson ^{2,3}	2019	840	67	252	670	-	201	2,030
	2018	808	64	243	192	128	690	2,125

¹ Mark Read was appointed as CEO on 3 September 2018 and his 2018 salary and benefits reflect his time in role.

² Paul Richardson's base salary figure is denominated in US dollars other than his fee for his directorship of WPP plc which amounts to £100,000 which, per above, has been converted at an exchange rate of \$1.2765 to £1. There has been no change in base salary over 2019 and the differences between the 2019 and 2018 values is due to a change in exchange rates.

³ Paul Richardson was not awarded the ESA portion of his bonus as, in accordance with the plan rules, it would lapse due to his retirement date.

⁴ None of the value of vested awards above is attributable to share price appreciation.

FIXED ELEMENTS OF REMUNERATION (AUDITED)**BASE SALARY**

As part of his contractual salary, Paul Richardson received a fee of £100,000 for his directorship of WPP plc. Paul Richardson's base salary has not changed since 2013.

	Effective date	Contractual salary 000	Base salary received in 2019 000
Mark Read	3 September 2018	£975	£975
Paul Richardson ¹	1 July 2013	\$945 and £100	\$1,073

¹ The director's fee for Paul Richardson has been converted into US dollars at a rate of \$1.2765 to £1.

BENEFITS

This allowance excludes the disclosable value of expenses related directly to attendance at Board meetings that would be chargeable to UK income tax. The expenses for Mark Read were £2,442 (£1,666 in 2018) and for Paul Richardson were £7,626 (£7,625 in 2018).

	2019 Benefits 000
Mark Read	£35
Paul Richardson	\$85

PENSION

Mark Read was awarded an allowance of 20% less employer's national insurance contribution of 13.8% resulting in a net pension contribution of 17.6%.

	Contractual pension (% of base salary)	2019 Pension £000
Mark Read	20	171
Paul Richardson	30	252

● SHORT-TERM INCENTIVE (AUDITED)

2019 SHORT-TERM INCENTIVE PLAN OUTCOME (PERCENTAGES EXPRESSED RELATIVE TO BASE SALARY)

In respect of the 2019 short-term incentive awards, 40% of the total award achieved by Mark Read will be delivered in the form of shares as an Executive Share Award (ESA) with a two-year deferral period. Paul Richardson, who retires on 1 May 2020, is not eligible to receive the ESA portion of his STIP. The STIP shown in the table for Paul Richardson represents only the cash element, 60% of the total. Cash bonuses and ESAs are subject to both malus and clawback provisions.

	Annual short-term incentive received %	Attributed to financial objectives %	Attributed to personal objectives %	Total 2019 short-term incentives £000
Mark Read	138	78	60	1,341
Paul Richardson	133	96	37	670

PERFORMANCE AGAINST 2019 FINANCIAL OBJECTIVES (70% OF THE AWARD)

Performance against all financial objectives is calculated on a pro forma ("like-for-like") basis other than headline operating margin which is calculated on a constant currency basis. The key financial short-term incentive plan objectives for both of the Executive Directors provide a robust basis for assessing financial achievement.

	Weight	Threshold	Target	Stretch	Actual ¹	Vesting ²			
						Mark Read		Paul Richardson	
						As a % of stretch	As a % of target	As a % of stretch	As a % of target
Like for like headline PBT growth	1/3	-10.00%	-5.00%	0.00%	-8.50%	15%	30%	20%	30%
Headline operating margin	1/3	-1.50%	-1.00%	0.00%	-1.00%	50%	100%	66%	100%
Like for like growth in revenue less pass-through costs	1/3	-3.00%	-1.75%	-0.50%	-1.30%	68%	136%	78%	119%

¹ Performance measures are based on adjusted results for the Group for the year ended 31 December 2019, including Kantar for the period it was owned by the Group.

² The different vesting percentages are due to the CEO bonus equating to 50% at target and CFO 66% at target.

PERFORMANCE AGAINST 2019 INDIVIDUAL STRATEGIC OBJECTIVES (30% OF THE AWARD)

Executive Director	Personal measures 2019 (30%)	Clarification of measures	Maximum potential (% of base salary)	Award received (% of maximum)
Mark Read	Business simplification, leadership team renewal, people, diversity	<ul style="list-style-type: none"> Take opportunities to simplify the business with additional consolidation, disposals and restructuring where appropriate Push forward with the refreshment and strengthening of business leadership. Further develop the culture and diversity of the workforce 	75	80
	Core asset disposals	Sale of Kantar in accordance with guidance given to the Board. Optimise the financial terms of the deal and seek shareholder support for the terms agreed. Bring proposals for the distribution of proceeds to the Board and implement as approved		
Paul Richardson	Working capital management	Year-on-year improvement in overall Company leverage ratio as set out to investors driven by disposals, debt and NWC management		
	Controls and compliance improvement	Controls and compliance improvements including the cascade down the organisation	75	50
	Transition to the new CFO	Transitioning to the new finance structure including streamlining the team in preparation for the new CFO		

Mark Read made substantial progress in 2019 in implementing the strategy he set out to shareholders in late 2018. The highlight was the disposal of the majority share in Kantar as well as the disposal of several other businesses that were not core to the Group. During the year numerous management changes were made to strengthen the leadership of the organisation, our client teams and creative capability. The Committee felt that Mark had produced a very strong performance in all areas.

Paul Richardson was judged to have achieved reasonable progress against his personal goals with good performance in improving the net working capital position and strengthening our accounting compliance processes. Paul has worked to ensure a smooth transition of responsibilities to the new Chief Financial Officer.

● SHORT-TERM INCENTIVE WEIGHTINGS AND MEASURES FOR 2020

The Committee has reviewed the performance objectives for 2020 to ensure continued alignment with Company strategy. In 2020, because of the uncertainty surrounding the impact on the business of Covid-19, while the focus will remain on revenue growth and profitability, additional measures will be adopted to measure the effectiveness of management in minimising any adverse impact on the Group. Further detail will be provided in next year's Annual Report. The Committee is of the view that the 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 2015-2019 EPSP AWARDS

Vesting of the 2015 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, GfK, Havas, Interpublic, Ipsos, Nielsen, Omnicom and Publicis), weighted by their respective market capitalisation;
- Compound annual growth in headline EPS; and
- Average return on equity.

Over the five-year performance period:

- WPP's TSR outperformed 40% of the weighted peer group on a common currency basis and 42% on a local currency basis. This resulted in zero vesting for that element.
- The compound annual growth rate in headline EPS was 1.24%. This achievement fell below the threshold performance level and resulted in zero vesting for this element.
- The Group delivered return on equity of 15.9%, resulting in vesting at 44.4% for that element.

In aggregate, WPP's performance against the three measures resulted in an overall achievement of 14.8% of the maximum award.

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	40	0
Relative TSR (local currency)				42	0
EPS growth	1/3	7.0	14.0	1.24	0
Average ROE	1/3	10.0	14.0	15.9	44.4
Total vesting (% of maximum)					14.8

	Number of shares awarded	Additional shares in respect of dividend accrual	Number of shares vesting	Share price on vesting	Value of vested 2015-2019 EPSP awards 000
Mark Read	65,910	2,097	11,845	£6.0000	£71
Paul Richardson ¹	37,970	1,217	6,832	\$37.48095	\$256

¹ Paul Richardson's EPSP awards were granted in the form of ADRs.

● LONG-TERM INCENTIVES (AUDITED) CONTINUED

2019 EPSP AWARDS GRANTED

In 2019, the Executive Directors were granted awards under the EPSP. Prior to grant, the Committee undertook extensive discussions in relation to the performance conditions to be used for future awards. The primary concern was that the current financial performance measures (EPS and ROE) and their associated performance goals, which were prescribed in the Compensation Policy, no longer aligned to current and forecast financial performance of the Company. The Committee felt that the performance measures would need to be amended in order for the EPSP to remain an effective method of incentivising and retaining management. Following consultation with key shareholders representing over a third of our issued share capital, it was decided that the awards would be made utilising relative TSR as the only performance condition. However, the Committee felt it essential that the awards have a ROIC underpin in order to ensure alignment to the underlying financial performance of the Company. The underpin condition requires that vesting of the awards is conditional on the average annual ROIC, over the five-year performance period, being at least 7.5%.

This change in performance measure is for the 2019 award only. The new Directors' Compensation Policy includes a revised EPSP with a different structure and new performance measures that align to the current WPP strategy. If the policy is approved at the 2020 AGM, future EPSP awards will be made according to this policy.

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

Awards granted in 2019	Basis and level of award (% of salary)	Award over	Number of interests awarded	Face value at date of grant ¹ 000
Mark Read	350	Ordinary shares	340,059	£3,412
Paul Richardson	300	ADRs	51,593	\$3,232

Performance Measure	Total Shareholder Return (TSR)
Weight	100%
Nature	Relative to peers
Performance zone (threshold to maximum)	50% to 90% of peer group outperformed
Payout	Below threshold: 0% of award vests Threshold: 15% of award vests Maximum or above: 100% of award vests Straight-line vesting between threshold and maximum
	Vesting is subject to an underpin defined as: average annual ROIC of 7.5% over the performance period. The Committee have discretion to determine whether the vesting level is a fair reflection of underlying performance.

¹ Face value is calculated based on the five-day average share price preceding the date of award (£10.035 for ordinary shares and \$62.653 for ADRs).

As in previous years, WPP's TSR performance is compared to companies representing our most relevant, listed global competitors, weighted by market capitalisation. For 2019 EPSP awards, the comparator group comprised Dentsu, Interpublic, Ipsos, Nielsen, Omnicom and Publicis. TSR performance is calculated on a market capitalisation-weighted basis in both 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.

● EPSP MEASURES AND TARGETS FOR 2020

The Committee has proposed a new Directors' Compensation Policy, including a restructured EPSP more closely aligned to WPP strategy. The effects of Covid-19 on our business are not yet clear but it will have a material adverse impact on our financial results. We are therefore taking the unusual step of not, at this stage, setting out the financial targets for the ROIC and Free Cash Flow measures that would be set using 2020 financial forecasts. However, assuming the policy is approved, the Compensation Committee will consult with shareholders on the proposed targets before any awards are granted later in the year, when the situation is clearer.

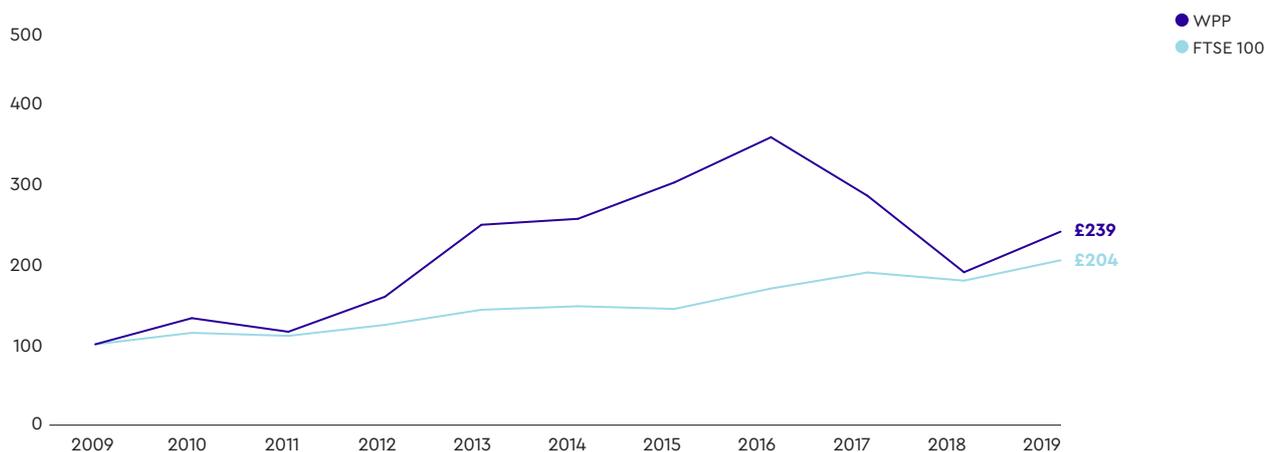
ALIGNING PAY AND PERFORMANCE

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.

This dynamic is contingent upon the Committee setting challenging targets each year. The following graph and table demonstrate the relationship between pay and performance over the last 10 years for the CEO. With respect to 2018, the pay for both the current and previous CEO are included, as separate sets of data.

HISTORICAL TSR PERFORMANCE¹

Value of hypothetical £100 holding



Source: DataStream Return Index

	2010	2011	2012	2013	2014	2015	2016	2017	2018 MSS ⁵	2018 MR ⁶	2019
CEO total compensation (£000) ²	11,597	11,941	17,543	29,846	42,704	70,409	48,148	13,930	3,085	965	2,594
Year-on-year change in CEO total compensation (%)	61	3	47	70	43	65	(32)	(71)	(78)	n/a	169 ⁶
Short-term incentive award against maximum (%)	95	77	62	82	72	86	60	0	0	30	55
Long-term incentive award against maximum (%)	83	46	86	87	100	100	100	73	33	33	15
Change in annual TSR (%) ³	32	(13)	38	56	3	18	19	(20)	(33)	(33)	27
Change in five-year TSR (%) ⁴	37	13	45	241	172	135	210	96	(1)	(1)	(4)

¹ Growth in the value of a hypothetical £100 holding of WPP ordinary shares over 10 years against an equivalent holding in the FTSE 100 (the broad market equity index of which WPP is a constituent) based on one-month average of trading day values. Source: DataStream.

² Calculated using the single figure methodology.

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 calculation methodology under EPSP.

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

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

RELATIVE IMPORTANCE OF SPEND ON PAY

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

	2019	2018	% change
Total staff costs (continuing operations)	£7,090.6m	£6,950.6m	2.0
Headcount – average over year	132,823	133,903	(0.8)
Dividends and share buybacks	£794.3m	£954.5m	(16.8)

RELATIVE CHANGE IN PAY FOR THE CHIEF EXECUTIVE OFFICER

The following required table summarises the change in the CEO's base salary, taxable benefits and annual bonus, compared to that of full-time employees within the Group. The current CEO was appointed in September 2018. In order to provide a meaningful comparison, his salary and benefits for 2018 have been adjusted such that they reflect the amounts which would have been paid if he had been in role for the full year. He received no salary increase or increase to his benefits allowance.

	Base salary %	UK taxable benefits %	Annual bonus %
Chief Executive Officer	0	0	450 ³
All Employees ^{1,2}	0.8	5.9	(2.4)

¹ The All Employees numbers for the change in base salary, taxable benefits and annual bonus have been calculated based on the annual average amount received.

² Considering the worldwide structure and size of the Group and given the need to calculate benefits on the basis that an individual is resident in the UK for tax purposes, collating data on all employees was not practicable. As a result, the population for taxable benefits consists of UK employees only.

³ Mark Read was appointed to the role of CEO in September 2018. The 2018 annual bonus used to calculate the change in annual bonus for the CEO pertains to this four-month period only.

CEO PAY RATIO

The ratios shown in the table below compare the total remuneration of the CEO (as shown in the single figure table on page 127) to the remuneration 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	
2019	Total remuneration	Option B	1:79	1:55	1:34

Given the complexity of WPP and the number of payrolls used across the UK Group, Option B 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 2019. The ratio has been computed taking into account the pay and benefits of over 14,000 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 remuneration. The 25th, 50th and 75th percentile employees were determined based on this adjusted data. Total remuneration for 2019 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 remuneration 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 ratio	50th percentile pay ratio	75th percentile pay ratio	
2019	Salary	Option B	£31,000	£44,739	£70,000
	Total pay and benefits	Option B	£32,636	£46,975	£77,416

The pay ratio reflects how the structure and approach to remuneration 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. The ratio will therefore fluctuate depending on the financial performance of the Group and share price movements.

NON-EXECUTIVE DIRECTORS' FEES

The fees due to Non-Executive Directors were reviewed and increased in 2018. The Chairman's fee was reviewed and increased effective July 2019. The fees are shown in the table below:

	£000
Chairman	525
Non-Executive Director	85
Senior Independent Director	30
Chairmanship of Audit or Compensation Committee	40
Chairmanship of Nomination and Governance Committee	15
Chairmanship of Sustainability Committee ¹	15
Member of Audit or Compensation Committee	20
Member of Nomination and Governance Committee	10
Member of Sustainability Committee	10

¹ The Sustainability Committee is currently co-chaired. Each Chair receives a £15,000 fee.

NON-EXECUTIVE DIRECTORS' TOTAL COMPENSATION RECEIVED (AUDITED)

The single figure table below details fee payments received by the Non-Executive Directors while they held a position on the Board. During both 2018 and 2019, the Company met the cost (including national insurance and income tax, where relevant) of expenses incurred by the Non-Executive Directors in performing their duties of office, in accordance with the policy set out above.

In 2019, the disclosable value of the expenses that would be chargeable to UK income tax totalled £80,304 (including £35,820 of national insurance and income tax, where relevant).

	Fees £000	
	2019	2018
Roberto Quarta	500	475
Jacques Aigrain	145	138
Tarek Farahat	105	98
Sir John Hood	125	118
Ruigang Li ¹	44	88
Daniela Riccardi	95	88
Cindy Rose ²	79	n/a
Nicole Seligman	145	130
Sally Susman	98	88
Sol Trujillo	105	98
Keith Weed ³	17	n/a
Jasmine Whitbread ⁴	37	n/a

¹ Ruigang Li retired from the Board on 12 June 2019.

² Cindy Rose was appointed to the Board on 1 April 2019.

³ Keith Weed was appointed to the Board on 1 November 2019.

⁴ Jasmine Whitbread was appointed to the Board on the 1 September 2019.

PAST DIRECTORS

Since his retirement from the Board, Timothy Shriver has been appointed as a consultant advising the Company on certain client relationships. He received a payment of £155,267 in 2019 for his consultancy services.

Sir Martin Sorrell left the Company in April 2018. His outstanding share awards granted under the Executive Performance Share Plan (EPSP) have been prorated to reflect his service period and will vest to the extent that performance conditions are achieved. The table below sets out details of the 2015 award that vested on 12 March 2020 based on performance achieved (see page 129 for detail).

	Plan	Number of shares awarded	Additional share in respect of dividend accrual	Number of shares vesting	Share price on vesting	Value of vested 2015-2019 EPSP awards 000
Sir Martin Sorrell	2015 EPSP	738,267	15,270	86,243	£6.0000	£517

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 2019, the Company's ESOPs (which are entirely independent of the Company and have waived their rights to receive dividends) held in total 9,219,837 shares in the Company (14,820,994 in 2018).

Director		Total beneficial interests	Shares without performance conditions (unvested) ^{1,2}	Shares with performance conditions (unvested) ^{3,4}	Total unvested shares
Mark Read	At 31 December 2019	196,789	193,388	967,728	1,161,116
	At 29 April 2020	251,643	155,071	901,818	1,056,889
Paul Richardson	At 31 December 2019	1,068,240	14,235	1,133,300	1,147,535
	At 29 April 2020	1,080,145	14,235	943,450	957,685

¹ For Mark Read shares due pursuant to the 2017 Performance Share and 2018 Executive Share awards, 2017 Leaders awards and 2018 Retention awards and for Paul Richardson, the 2018 Executive Share award. Full details of these awards can be found on pages 135 and 136. Additional dividend shares will be due on vesting.

² As noted in footnote 1 above, less 2017 Performance Share award, which vested on 10 March 2020 (full details can be found on page 135).

³ Maximum number of shares due on vesting pursuant to the outstanding EPSP awards, full details of which can be found on page 136. Additional dividend shares will be due on vesting.

⁴ As noted in footnote 3 above, less the maximum due under the 2015 EPSP award, which vested on 12 March 2020 (full details can be found on page 129).

SHARE OWNERSHIP REQUIREMENTS

As detailed in the Directors' Compensation Policy, the Executive Directors are required to achieve a minimum level of share ownership of WPP shares. The CEO and Group Finance Director are required to hold shares to the value of 600% and 300% of base salary respectively.

As at 31 December 2019, the Chief Executive Officer held shares to the value of 215% of his base salary. He has seven years from the date appointed to the CEO role in which to reach required level. At the same date Paul Richardson significantly exceeded his requirement and held shares to the value of 1,356% of his base salary. He will be required to maintain his share ownership requirement of 300% of base salary in the year following his retirement and 150% of base salary for the second year.

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 2019	Total interests at 29 April 2020
Roberto Quarta	87,500	87,500
Jacques Aigrain	34,000	34,000
Tarek Farahat	3,775	3,775
Sir John Hood	3,000	3,000
Ruigang Li ¹	4,000	n/a
Daniela Riccardi	4,100	4,100
Cindy Rose ²	8,000	8,000
Nicole Seligman	8,750	8,750
Sally Susman	5,000	5,000
Sol Trujillo	10,000	10,000
Keith Weed ³	2,161	2,161
Jasmine Whitbread ⁴	-	3,330

¹ Ruigang Li retired from the Board on 12 June 2019. The information disclosed reflects his total interest at this date.

² Cindy Rose was appointed to the Board on 1 April 2019.

³ Keith Weed was appointed to the Board on 1 November 2019.

⁴ Jasmine Whitbread was appointed to the Board on the 1 September 2019.

OUTSTANDING SHARE-BASED AWARDS**EXECUTIVE SHARE AWARDS (ESAs) HELD BY EXECUTIVE DIRECTORS**

All Executive Share Awards (ESA) or Performance Share Awards (PSA) granted under the Restricted Stock Plan and its successor, the WPP Stock Plan 2018, are made on the basis of satisfaction of previous performance conditions and are subject to continuous employment until the vesting date. Mark Read received ESA and PSA awards prior to his appointment as Executive Director. Unless otherwise noted, awards are made in the form of WPP ordinary shares.

		Grant date	Share/ADR price on grant date	No. of shares/ ADRs granted ²	Face value on grant date 000 ³	Additional shares granted in lieu of dividends	Total shares vesting	Vesting date	Shares/ADR price on vesting	Value on vesting 000
Mark Read	2016 PSA	06.06.17	£17.2050	25,573	£440	2,553	28,126	10.03.19	£8.5458	£240
	2017 PSA	12.06.18	£12.3800	38,317	£474	-	-	10.03.20	-	-
	2018 ESA	30.05.19	£9.4840	62,834	£596	-	-	06.03.21	-	-
Paul Richardson ¹	2016 ESA	06.06.17	\$110.7600	9,280	\$1,028	933	10,213	06.03.19	\$57.3447	\$586
	2018 ESA	30.05.19	\$60.06	2,847	\$171	-	-	06.03.21	-	-

¹ Paul Richardson's ESAs were granted in respect of ADRs.

² Dividend shares will be due on these awards.

³ Face value has been calculated using the average closing share price for the trading day preceding the date of grant (as set out in the table).

OUTSTANDING SHARE-BASED AWARDS CONTINUED

Mark Read received awards prior to his appointment as CEO under the management incentive plans. In addition, he received awards on his appointment as joint-COO in April 2018. While the Board decided on the appointment of the next CEO, a special one-off award was made recognising the importance and scale of the additional responsibilities that were being undertaken. Each award is subject to continuous employment and malus and clawback and was made under the Restricted Stock Plan and the WPP Stock Plan 2018.

		Grant date	Share/ADR price on grant date	No. of shares/ADRs granted ²	Face value on grant date 000 ³	Additional shares granted in lieu of dividends	Total shares vesting	Vesting date	Shares/ADR price on vesting	Value on vesting 000
Mark Read	Leaders 2016	28.11.16	£17.0550	8,795	£150	1,477	10,272	15.11.19	£9.8378	£101
	Leaders 2017	04.12.17	£13.0850	11,463	£150	-	-	15.11.20	-	-
	Special award ¹	12.06.18	£12.3800	40,387	£500	2,300	42,687	01.05.19	£9.6800	£413
	Special award ¹	12.06.18	£12.3800	80,774	£1,000	-	-	01.05.20 and 01.05.21	-	-

¹ The first tranche of the one-off special award vested on 1 May 2019. The remaining two tranches will vest in equal parts on 1 May 2020 and 1 May 2021.

² Dividend shares will be due on these awards.

³ Face value has been calculated using the average closing share price for the trading day preceding the date of grant (as set out in the table).

LONG-TERM INCENTIVE PLANS – EXECUTIVE PERFORMANCE SHARE PLAN

The following table summarises all of the awards outstanding under the Executive Performance Share Plan.

	Grant date	Performance period	Shares/ADR price on grant date	Maximum number of nil cost options over shares/ADRs awarded ²	During 2019			Maximum number of nil cost options over shares/ADRs at 31 December 2019
					Options vested/(lapsed)	Additional dividend shares	Options exercised	
Mark Read	09.06.15	01.01.15-31.12.19	£15.1720	65,910	-	-	-	65,910
	28.11.16	01.01.16-31.12.20	£17.0520	58,644	-	-	-	58,644
	04.12.17	01.01.17-31.12.21	£12.9110	106,498	-	-	-	106,498
	06.12.18	01.01.18-31.12.22	£8.6040	396,617	-	-	-	396,617
	24.09.19	01.01.19-31.12.23	£10.0350	340,059	-	-	-	340,059
Paul Richardson ¹	09.06.15	01.01.15-31.12.19	\$115.8800	37,970	-	-	-	37,970
	28.11.16	01.01.16-31.12.20	\$105.9309	41,536	-	-	-	41,536
	04.12.17	01.01.17-31.12.21	\$86.9138	36,933	-	-	-	36,933
	06.12.18	01.01.18-31.12.22	\$55.2631	58,628	-	-	-	58,628
	24.09.19	01.01.19-31.12.23	\$62.6530	51,593	-	-	-	51,593

¹ Paul Richardson's EPSP awards were granted in respect of ADRs.

² Dividend shares will be due on these awards.

Full details of the 2019 EPSP award, including performance measures and targets, can be found on page 130.

IMPLEMENTATION OF REWARD POLICY FOR MANAGEMENT OUTSIDE THE BOARD

As part of its review of the Directors' Compensation Policy during 2019, the Committee took into consideration the compensation arrangements of the wider workforce to ensure that the new policy was aligned and reflective of the terms offered to other employees. The Committee places significant value on the views of employees and has established appropriate mechanisms to capture them.

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 2019 is described below.

WPP STOCK PLAN 2018 (WSP)

The WPP Leaders, Partners and High Potential programme made awards under the WSP to about 1,400 of our key executives in 2019. 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 do not participate in any aspect of the WSP except for the deferred share bonus award. All awards granted under the WSP are subject to malus and clawback conditions.

WPP SHARE OPTION PLAN 2015

During 2019, the WPP Share Option Plan 2015 was used to make awards to over 38,000 employees. By 31 December 2019, options under this plan, and its predecessor, the Worldwide Ownership Plan, had been granted to approximately 187,000 employees over 95 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 2019. The Executive Directors do not participate in this plan.

SHARE INCENTIVE DILUTION FOR 2009 TO 2019

The share incentive dilution level, measured on a 10-year rolling basis, was at 3.3% at 31 December 2019 (2018: 3.4%). 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.

Sir John Hood

Chairman of the Compensation Committee
on behalf of the Board of Directors of WPP plc
29 April 2020