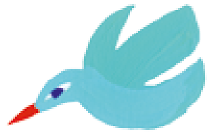


How we behave and how we're rewarded

Report by Roberto Quarta

Executive Chairman of the Company and Chairman of the Nomination and Governance Committee

Dear share owner

2017 was a challenging year for your Company as a combination of technology-driven structural changes and pressure on marketing budgets held back WPP's financial performance.

2018 has brought other challenges. The departure of the Group Chief Executive was, of course, a difficult moment for WPP.

The Board's succession planning has always considered two scenarios: the planned transition over time and the unforeseen event. We would not have chosen the latter, but that is what happened and we were prepared for it.

We had no hesitation in immediately appointing Mark Read and Andrew Scott as joint Chief Operating Officers of WPP to lead the business, reporting to and supported by me as Executive Chairman in the interim.

As I said when their appointments were announced, Mark and Andrew are highly accomplished and experienced executives who have the Board's complete confidence. They are working closely together to lead the Group, with Mark responsible for clients, operating companies and people and Andrew focusing on financial and operational performance and managing the Group's portfolio.

Mark and Andrew have been given a mandate to move forward decisively, to accelerate the strategy, and to apply their own views, abilities and expertise in doing so. There is no standing still.

The Board has appointed external search consultants to conduct the recruitment process for the new Group Chief Executive. We will consider both internal and external candidates to find the best leader to take WPP forward, and while this will be concluded as quickly as possible there is no set timeframe. In the meantime Mark and Andrew are providing the leadership the Group needs.

WPP has delivered consistent growth and value for its share owners for more than three decades. It remains the clear market leader, the fundamentals of the business are strong and we have a wealth of capabilities within the Group that few if any other companies worldwide can match.

Nonetheless, the world we inhabit is changing – and WPP is changing with it. Under Mark and Andrew the strategic evolution already underway will be refined and accelerated, and we will share details as this process develops during the course of the year.

Underpinning the Board's confidence in the future of your Company is our confidence in the talented people who make up WPP and its parts.

From our continuous review of senior personnel – for the purposes of Group-level succession planning – the Board has had excellent visibility of the women and men with the potential to occupy the most senior roles (and indeed the most senior role) within WPP.

In the pages of this Annual Report you will see an outstanding array of talent – from the heads of our operating companies to our Country and Regional Managers and Global Client Team Leaders.

During 2017, the Board met many of these leaders from around the Group to hear their thoughts on managing their businesses. The benefits of this approach were two-fold: it informed our assessment of the internal talent pool; and we gained a greater depth of insight, as a board, into the challenges and opportunities of the Company as a whole.

It also left us in no doubt about the strength of our internal list of candidates for the Group Chief Executive role.

The past year has shone a welcome light on the issue of gender equality within the advertising and marketing services industry. That this has been, at times, an uncomfortable experience for your Company only highlights its importance, and the need for us to respond positively.

At the Board level, we have worked with the executive team to accelerate the development of senior female leaders and to monitor the pipeline of female talent. The Company's UK Gender Pay Gap Report was reviewed by the Board. Although it revealed a gender pay gap below the national average, it highlighted the need for further, faster change in the profile of the operating companies' leadership teams, and we support the initiatives the Company has put in place to achieve that change.

On the Board itself we have excellent diversity in terms of nationality, with nine countries represented, but we still have work to do on gender balance. Charlene Begley's departure from the Board last year meant the proportion of women on the Board fell to 25% as at 31 December 2017. As we actively review Board composition we are seeking to improve this statistic, and diversity of all kinds, without increasing the size of the Board.

Something your Board does not lack is diversity (or relevance) of experience. The Non-Executive Directors have deep expertise in areas that are critical to the future of the Company, such as consumer packaged goods, digital transformation, technological disruption and fast-growth markets – especially China.

This means that as well as providing broad advice and perspective, we are increasingly contributing directly to the formulation of strategy and assisting with specific issues as they arise. Nicole Seligman's experience at Sony, for example, was invaluable in preparing for and reacting to last summer's cyber attack.

This was another difficult moment for the Company, which responded magnificently to what is now known to be have been a sophisticated and potentially devastating assault, underlining to the Board the resilience of WPP, the dedication and motivation of its senior team, and the abilities of its many thousands of people around the world. They have shown those qualities again in recent weeks.

On behalf of my Board colleagues and the Company's share owners, I would like to extend my sincere thanks to all of them.

Roberto Quarta
24 April 2018

Review of the Company's governance and the Nomination and Governance Committee

Report by Roberto Quarta

Chairman of the Nomination and Governance Committee

Nomination and Governance Committee members and attendance during 2017

	Meetings eligible to attend	Meetings attended
Roberto Quarta (Chairman)	4	4
Charlene Begley[1]	3	2
Ruigang Li	4	1
Daniela Riccardi	4	4
Hugo Shong	4	3
Sally Susman	4	4

[1] Retired from the Board on 7 June 2017.

Dear share owner

Committee responsibilities and how they were discharged in 2017

The principal focus of the four meetings of the Committee in 2017 were:

- Succession planning for the Group Chief Executive and senior management and review of the tenure and independence of the Non-Executive Directors.
- Review of the composition of the Board Committees, consideration of the relevant experience of Tarek Farahat to join the Audit Committee and Nicole Seligman to join the Compensation Committee.
- Board evaluation and training for Non-Executive Directors.

Succession planning

I have held regular discussions with share owners in 2017 on the issues of succession and compensation as well as cybersecurity and data privacy. We have continued to respond to their request for greater transparency of reporting and integration of the Board evaluation process with succession planning.

The Board has for some time had a strategy in place for an agreed or foreseen departure of the senior management team including the Group Chief Executive and Group Finance Director and also in the event of sudden emergencies.

During 2017, the Senior Independent Director agreed role descriptions for different succession scenarios, based on the views of all of the Non-Executive Directors and the Executive Directors.

The Board has held senior management and Group Chief Executive succession planning reviews and has met with the senior management teams of all of the major operating companies within the Group both formally and informally and, in many cases, the tier of managers below to continually update their knowledge of the diversity of the pipeline of internal candidates and reassess the succession plans.

Following the resignation of the Group Chief Executive on 14 April 2018, the Board has implemented the succession plans it had in place in the event of a sudden departure and has appointed me as Executive Chairman and two Chief Operating Officers, Mark Read and Andrew Scott.

The Board has commenced the recruitment process for a new Group Chief Executive with the assistance of an external search firm which had already been working with the Board and which will consider both the pool of internal candidates already identified and external candidates. The recruitment process will be conducted in a timely and efficient manner.

Changes to the Board and Committees

Following the retirement of Tim Shriver and Charlene Begley at the 2017 AGM and the appointment of Tarek Farahat to the Audit Committee on 24 February 2017 and Nicole Seligman to the Compensation Committee on 14 December 2017 and to the Nomination and Governance Committee on 17 April 2018, the composition of our three main Committees is as follows:

Committee composition 2017	Audit Committee	Compensation Committee	Nomination and Governance Committee
Roberto Quarta		•	Chair •
Jacques Aigrain	Chair •	•	
Tarek Farahat	•		
Sir John Hood		Chair •	
Ruigang Li			•
Daniela Riccardi			•
Nicole Seligman		•	•
Hugo Shong			•
Sally Susman			•
Sol Trujillo	•		

The Senior Independent Director, Nicole Seligman, customarily attends all Board Committee meetings.

Board and Committee evaluation

The annual evaluation of the Board's and all Committees' effectiveness has been conducted internally by the Senior Independent Director following the externally-facilitated evaluation concluded in 2016.

Each director completed a confidential questionnaire and then held separate conversations with the Senior Independent Director and individual directors considering the effectiveness of the Board and its Committees and an assessment of my performance as Chairman. The discussions also considered the progress made by the Board and directors in implementing the recommendations of the previous evaluations. The recommendations and agreed actions from this year's evaluation will be published on the Company's website.

Diversity

The Board confirms its commitment to diversity, including gender, at all levels of the Group. The Board's policy on diversity commits WPP to increasing diversity across its subsidiaries and supports the development and promotion of all talented individuals. As at 31 December 2017, women comprised 25% of the WPP Board and 30% of Non-Executive Directors, including the Senior Independent Director. Nine different nationalities were represented on the Board, with a broad spectrum of skills, backgrounds and experience which are disclosed in detail on pages 68 to 70. The Board intends to restore and, if possible, improve upon the diverse nature of the Board following Charlene Begley's retirement in 2017.

The Group published its UK gender pay gap data for 2017 in March this year for the first time which showed that in the UK the Group median gender pay gap is 14.6%. Although this is below the national figure of 18.4% (Office of National Statistics, UK median 2017), the data shows that there are fewer women at the senior executive level, where pay is highest. Our aim is to make year-on-year improvements by pursuing the ultimate goal of equal representation at the most senior levels of the Group.

Independence

The independence of each Non-Executive Director is assessed annually by the Board. The Board has confirmed that all of the Non-Executives standing for re-election at the 2017 AGM continue to demonstrate the characteristics of independence.

Time commitment

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.

Development

On joining WPP, Non-Executive Directors are given an induction which includes one-to-one meetings with management and the external auditors, briefings on the duties of directors of a Jersey company, the Share Dealing Code, WPP Code of Conduct and the UK Corporate Governance Code. The induction also covers the Board Committees that a director will join.

All directors are fully briefed on important developments in the various business activities which the Group carries out worldwide and regularly receive extensive information concerning the Group's operations, finances, risk factors and its people, enabling them to fulfil their duties and obligations as directors. The directors are also frequently advised on regulatory and best practice requirements which affect the Group's businesses on a global basis.

One Board meeting a year is held in a location other than London or New York. In 2017, the Board met in Delhi, where it received briefings from all the heads of the Group's Asia Pacific operations.

Re-election
The directors submit themselves for annual re-election at each AGM, if they wish to continue serving and are considered by the Board to be eligible. Directors may be appointed by share owners by ordinary resolution or by the Board on the recommendation of the Nomination and Governance Committee and must then stand for re-election at the next AGM, where they may be re-elected by ordinary resolution of the share owners.

Directors' conflicts of interest
The Board must consider and, if it sees fit, authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the Company. Any conflicts which are declared are considered for authorisation by those directors who have no interest in the matter being considered. In deciding whether to authorise a conflict, the non-conflicted directors must act honestly and in good faith with a view to the best interests of the Company and they may impose limits or conditions when giving the authorisation.

Governance
The 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. During the period under review, we have fully complied with the provisions and applied the main principles of the UK Corporate Governance Code. During the year, the Board was briefed on regulatory and corporate governance developments, including the proposed revision of the UK Corporate Governance Code and considered the impact of those revisions on the Company.

Sustainability
Paul Richardson, Executive Director responsible for Sustainability together with the head of Sustainability, presented a comprehensive assessment of the Group's sustainability performance and risks to the Committee for 2017. A more detailed sustainability review can be read on pages 36 to 61 and in our 2017 Pro bono book to be published in May 2018.

Terms of reference
The Committee's terms of reference, which are reviewed with the Board annually and most recently in April 2017, are on the Company's website at wpp.com/investor.

Roberto Quarta
24 April 2018

Review of the Audit Committee

Report by Jacques Aigrain

Chairman of the Audit Committee

Audit Committee members and attendance during 2017

	Meetings eligible to attend	Meetings attended
Jacques Aigrain (Chairman)	7	7
Sol Trujillo	7	7
Tarek Farahat[1]	6	5
Charlene Begley[2]	4	3

1 Appointed to the Committee on 24 February 2017.
2 Retired from the Board on 7 June 2017.

Dear share owner

We held seven meetings during the year, which were attended by Deloitte LLP, the Company's external auditor, the Company's Chairman, the Senior Independent Director, the Group Finance Director, the Director of Internal Audit, the Group Chief Counsel, the Group Chief Accountant and the Company Secretary. The Committee also held separate private meetings with the external auditor, the Director of Internal Audit, the Group Chief Counsel and the Group Chief Accountant. In addition to pre-meetings with the external auditors, as Chairman of the Audit Committee, I also have regular meetings with the Directors of Internal Audit, Tax, Treasury and the Group Chief Counsel and ongoing dialogue with the Group Finance Director and Group Chief Accountant. I report 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 2017

The main matters we dealt with during 2017 were as follows:

- Monitoring the integrity of the Company's financial statements and reviewing significant financial reporting judgements.
- Reviewing internal controls and internal audit activities.
- Assisting the Board in meeting its responsibilities in respect of carrying out a robust assessment of the principal risks affecting the Group and reviewing and reporting on the systems and key elements of risk management as they affect the Group and reviewing the risk map and framework for presentation to the Board.
- Reviewing the Group Treasury policy with particular focus on debtors, funding foreign exchange and cash management and the continued ability of the Group to adopt the going concern basis in preparing financial statements.
- Reviewing reports on any material litigation or regulatory reviews involving Group companies.
- Reviewing the Group's mergers and acquisitions strategy, any significant acquisitions, the earnout payments profile review and integration processes and the debt financing by the Group.
- Reviewing the impact of and the Group's response to the malware attack which affected the Group in June 2017 and the Company's IT security strategy.
- Reviewing the Group's tax position.
- Monitoring the accounting and legal reporting requirements, including all relevant regulations of the UK Listing Authority, the SEC and NYSE and the Jersey Financial Services Commission and proposed changes to the UK Corporate Governance Code and future implementation of IFRS 15 and 16.
- Overseeing continued compliance with Section 404 of SOX, through regular status reports submitted by the internal and external auditors.
- Reviewing the Group's IT Transformation project and shared services initiatives.
- Reviewing issues raised on our Right to Speak helpline and the actions taken in response to those calls.

Fair, balanced and understandable

A Sub-Committee of the Board including members of this Committee examined whether the Annual Report and Accounts for 2017 was fair, balanced and understandable and provided the information necessary for share owners to assess the Group's position, performance, business model and strategy. The Sub-Committee received an early final draft of the report for review and comment, as well as a report from the Disclosure Committee as to the governance relating to compilation of the report. The Board subsequently considered the report as a whole and discussed the report's tone, balance and language for compliance with these standards. The Board's statement on the report is on pages 110 and 111.

Financial reporting and significant financial judgements

The management team make key decisions and judgements in the process of applying the Group's accounting policies. These key judgements were detailed in reports and presentations by management to the Committee in respect of 2017 which were then examined by the Committee and discussed with management.

Deloitte also reported to and discussed with the Committee whether suitable accounting policies had been adopted in the financial statements for the year ended 2017 and whether management had made appropriate estimates and judgements.

The areas of significant judgement considered by the Committee and how these were addressed are set out below and reflect a number of the principal risk areas identified by the Board on pages 25 to 29:

- The assessments made for goodwill impairment. The Committee confirmed, based on management's expectations of future performance of certain businesses, the level of goodwill impairment charges required in 2017.
- The judgements made in respect of the timing of recognition and valuation of media volume income earned from media owners and amount to be retained. The Committee received briefings from management on the appropriateness of the controls in place and challenged management to demonstrate the effectiveness of such controls.
- The judgements made in respect of the release of provisions related to other media income. The Committee considered the testing undertaken by Deloitte and information from management to support the judgements made and agreed those were appropriate.
- The valuations of non-controlled investments and listed associates, which are based on local management forecasts, recent third-party investment and other supporting information such as industry valuation multiples. The Committee examined the valuations with management and considered the sample testing of the investments performed by Deloitte and agreed that the valuations were appropriate.
- The accuracy of forecasting the potential future payments due under earnout agreements in respect of acquired businesses. The Committee considered the forecasting with management and the testing undertaken by Deloitte and agreed that earnouts have been accounted for on a consistent basis to previous periods.
- The valuation of year-end provisions in respect of working capital. The Committee received briefings on the approach taken by management in assessing the level of exposure across the Group and agreed it was consistent and appropriate.
- Accounting for the judgemental elements of remuneration, including pensions, bonus accruals, severances and share-based payments. The Committee agreed that the assumptions applied by management are reasonable.
- The judgements made in respect of tax, in particular the level of central tax provisioning. The Committee supported management's assumptions in both these areas and believe the current level of provisions is reasonable.
- The going concern assessment and viability statement and key forecast assumptions. The Committee concur with management's going concern assumptions as set out on page 30.

External audit

Deloitte has been WPP's auditors since 2002. The lead partner rotates every five years and the latest rotation took effect during 2015. In 2017, the effectiveness of the audit process was evaluated through a Committee review of the audit planning process and discussions with key members of the Group's finance function. The 2017 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 the external auditors and the Committee chair met privately with the external auditors before meetings. The Committee continues to be satisfied with the performance of Deloitte and confirmed that Deloitte continues to be objective and independent. The Committee recommends the reappointment of Deloitte at the AGM on 13 June 2018.

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 is approved by the Committee at the beginning of the financial year. Progress against the plan is monitored through the year and any changes require Committee approval. Significant issues identified within audit reports are considered in detail along with the mitigation plans to resolve those issues. The Committee also 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. I hold pre-meetings with the Director of Internal Audit and regular update meetings, to ensure the internal audit function has adequate standing and is free from management restrictions and has direct access to the Audit Committee if needed.

Non-audit fees

The Committee has established a policy regarding non-audit services that may be provided by Deloitte, which prohibits certain categories of work in line with relevant guidance on independence, such as ethical standards issued by the Auditing Practices Board and SEC. The prohibited categories of work include advice on remuneration and on tax services being provided by Deloitte in the EU and a general default to an alternative provider elsewhere subject to adherence to regulations. Other categories of work may be provided by the auditors 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 2017 is shown in note 3 of the financial statements on page 131.

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 2017 and as part of the evaluation process described on page 84 for their technical suitability to be members and also for its overall effectiveness. The Board has designated me 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 marketing communications sector and have financial and/or financial services experience as set out on pages 68 to 70.

Terms of reference

The Committee's terms of reference, are reviewed annually and most recently were reviewed and updated in December 2017 to reflect the FRC's updated guidance on Audit Committees and can be viewed on the Company's website at wpp.com/investor.

Jacques Aigrain
24 April 2018

Letter from the Chairman of the Compensation Committee

Dear share owner

On behalf of the WPP Board I am pleased to present the Directors' Compensation Report for the year ended 31 December 2017. The report includes an 'at a glance' snapshot of WPP's performance and corresponding compensation for the year. This is followed by our Compensation Committee Report, which details the compensation decisions made by the Committee and the resulting outcomes for the directors.

To simplify this report, we are not presenting the full Directors' Compensation Policy in the Annual Report this year but have instead included a summary of each element of the policy in the relevant section of the Compensation Committee Report. The full policy can be found at wpp.com/wpp/about/howwebehave/governance.

The Board considers that Executive and Non-Executive Directors' compensation conforms with the requirements of the current UK Corporate Governance Code.

Following a re-evaluation of the policy and extensive consultation with share owners, we presented a new Directors' Compensation Policy for approval at the 2017 AGM. We were pleased that this was approved with a 92% vote in favour and has been in effect since the date of the AGM. However, unfortunately the 2016 Compensation Committee Report received a 20.8% vote against owing to discomfort with the level of the 2016 Single Figure. The last Leadership Equity Acquisition Plan (LEAP) award, which vested in full following strong five-year relative TSR and share price performance, was the key driver of the single figure. The LEAP was replaced in 2013 and, in addition, the compensation packages of the Group Chief Executive and Group Finance Director were, following extensive discussion with our share owners, substantially reduced in both 2014 and 2017 to address concerns.

Pay for performance in 2017

As stated elsewhere in this Annual Report, 2017 has proven a very challenging period and this has directly impacted the incentive plans for the Executive Directors and other senior executives in the Group. With regard to the annual short-term incentive plan, the financial targets were missed and this resulted in no bonus payment being earned in relation to this part of the scorecard, which represent 70% of the total. The directors also have personal strategic goals as described later in the report. While good progress was made against most of those goals, in light of the disappointing financial results the Committee exercised its discretion and determined that it would be inappropriate to award a bonus for 2017.

The Executive Performance Share Plan (EPSP), the successor to the former LEAP, which was introduced and under which first awards were made in 2013, completed the first five-year performance period on 31 December 2017. This plan is a performance share plan that measures achievement against three performance measures: relative TSR, return on equity and earnings per share. While 2017 produced disappointing financial and share price performance, over the five-year period the aggregate performance was strong.

- WPP's TSR outperformed 63% of the weighted peer group on a common currency basis and 77% on a local currency basis.
- EPS grew by 64.0% from 73.4p to 120.4p – a CAGR of 10.4%.
- ROE averaged 15.8%.

Such strong financial performance produced an overall vesting level of 72.8%.

Performance targets for 2018 incentive awards

The Committee, in light of the recent revisions to our financial guidance, is currently reviewing the 2018-2022 EPSP measures and targets to ensure they remain appropriate. If any changes are felt necessary, the Committee will consult with major share owners to seek views and support.

The three financial measures for the short-term incentive plan remain the same as the prior year and are: headline PBT growth; headline revenue less pass-through cost margin improvement (formerly headline net sales margin improvement); and growth in revenue less pass-through costs (formerly growth in net sales). The performance targets and outcomes will be disclosed in next year's Annual Report.

Looking forward

The Committee continues to monitor developments in corporate governance related to compensation. In 2018, our focus will be considering changes to the UK Corporate Governance Code and ensuring that our compensation practices and processes meet the Company's needs and align to best practice.

The WPP UK Gender Pay Gap Report 2017 was published as required by UK Gender Pay Gap legislation on 1 March 2018, showing consolidated data for the UK companies, and individually for each UK employing company with more than 250 employees. The Committee will be monitoring progress in relation to the gender pay gap over the coming years. More information can be found in the sustainability review on page 47.

Finally, on behalf of the Committee, I would like to extend thanks to our major share owners who have provided us with valuable advice and support over the last year.

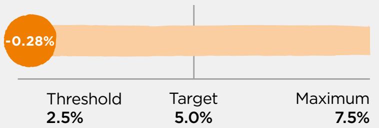
Sir John Hood
Chairman of the Compensation Committee
24 April 2018

Performance at a glance

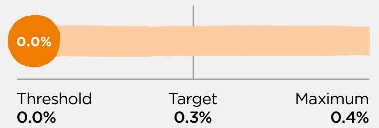
How we performed in 2017

Group financial performance measures

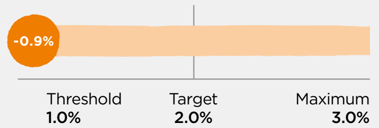
Like-for-like headline PBT growth (⅓)



Constant currency headline revenue less pass-through costs margin improvement (⅓)

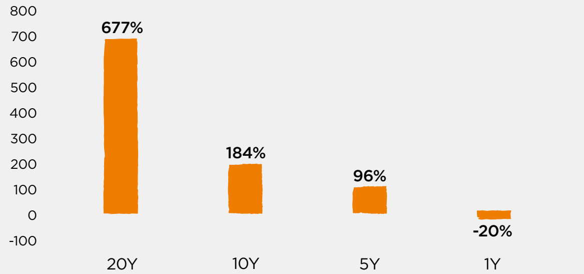


Like-for-like growth in revenue less pass-through costs (⅓)



Long-term performance

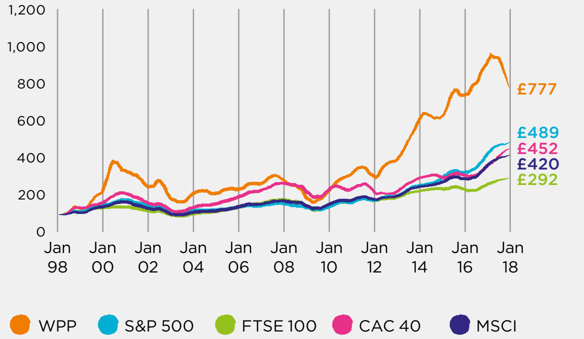
WPP Total Shareholder Return (TSR)



FTSE 100	192%	69%	55%	12%
S&P 500	389%	225%	142%	12%
CAC 40	352%	73%	103%	21%
MSCI World	320%	153%	113%	14%
WPP	677%	184%	96%	-20%

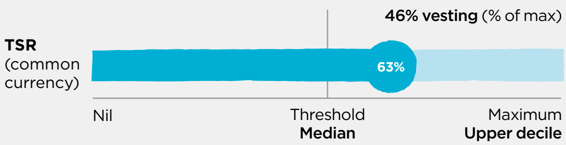
Source: DataStream. TSR calculated up until 31 December 2017.

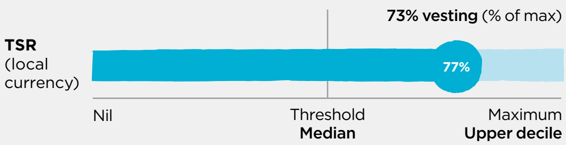
Change in value of a £100 investment in WPP over time relative to indices

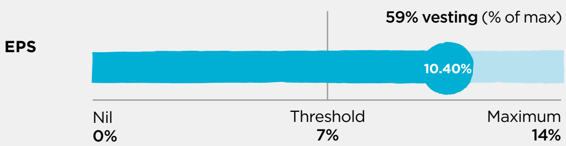


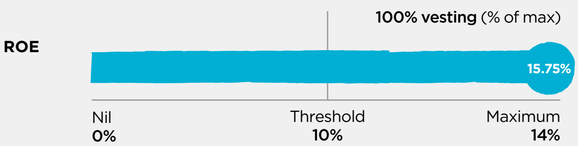
Source: Thomson Reuters DataStream. TSR calculated up until 31 December 2017.

EPSP performance measures

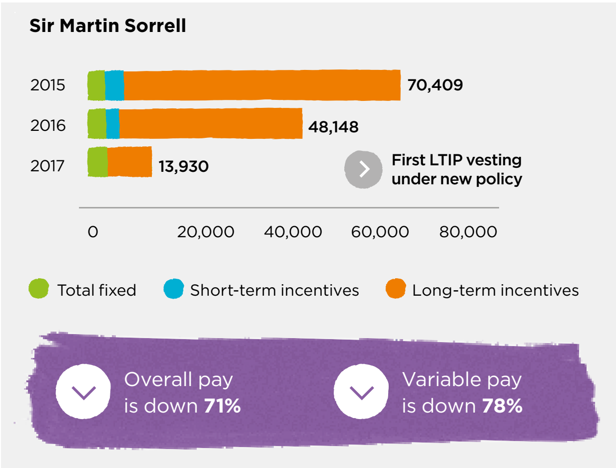


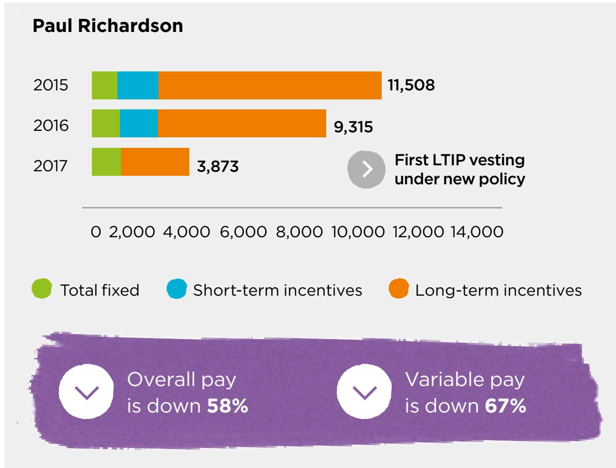






Total compensation 2017 (£000)





How we will implement our proposed compensation policy in 2018

	Policy	2018	2019	2020	2021	2022	Implementation for 2018
Base salary	24-month review period						Sir Martin Sorrell: £1,150,000 Paul Richardson: $945,000+ £100,000
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.						Sir Martin Sorrell: £200,000 Paul Richardson: $85,000
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.						Sir Martin Sorrell: 30% Paul Richardson: 30%
Short-term incentives	• 70% financial and 30% individual strategic objectives • One-year performance • 60% cash, 40% deferred WPP shares (two years)						Sir Martin Sorrell: 0–400% Paul Richardson: 0–250%
Long-term incentives	• TSR, EPS and ROE • Five-year performance • 100% WPP shares						Sir Martin Sorrell: 0–600% Paul Richardson: 0–300%

Compensation Committee Report

This section of the Compensation Committee Report sets out details of how the Company's Compensation Policy was implemented in 2017. We start by setting out the details of the Compensation Committee – those setting and implementing the policy. We then present a summary of the 2017 director compensation together with a summary of pay across the Group.

The policy was approved by share owners at the 2017 AGM. For each element of pay, we have included a summary of the current policy to provide context for the decisions made. Please go to wpp.com/wpp/about/howwebehave/governance/ for the full policy.

Governance in relation to compensation

Compensation Committee members	Meetings eligible to attend	Meetings attended
Sir John Hood (Chairman)	7	7
Jacques Aigrain	7	7
Roberto Quarta	7	7
Tim Shriver[1]	5	5
Nicole Seligman[2]	0	0

1 Tim Shriver retired from the Board in June 2017.
2 Nicole Seligman was appointed to the Compensation Committee on 14 December 2017.

During 2017, the Compensation Committee met seven times on a formal basis, with additional informal meetings held as needed.

The Committee members do not have any personal financial interest (other than as a share owner as disclosed on page 103) 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. In particular, the Committee invites certain individuals to attend meetings, including the Group Chief Executive (who is not present when matters relating to his own compensation or contracts are discussed and decided), the Senior Independent Director (who was formally appointed to the Compensation Committee on 14 December 2017), the Company Secretary, the Chief Talent 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. In light of 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. Some of the operating companies engage them as advisors at a local level.

In 2017, WTW received fees of £89,785 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.

Statement of share owner voting

Just over 20% of share owners voted against the Compensation Committee Report at the 2017 AGM. The Committee understands that the reasons for the vote against were in relation to the level of quantum of the single figure, driven predominantly by the 2012 LEAP award which vested in full as a result of particularly strong TSR performance and share price growth over the five-year performance period. The final instalment of the LEAP vested in 2017.

In 2013, after extensive consultation with share owners, the Compensation Committee significantly reduced the levels of pay available to the Executive Directors. This included replacing the LEAP with the EPSP, approved by share owners in 2013. Awards under the EPSP are substantially lower than under the LEAP, resulting in a significant reduction in overall quantum of compensation for the Executive Directors compared with previous years. Maximum award levels under both the STIP and the EPSP were reduced further as part of the 2017 Directors' Compensation Policy.

The result of the share owner vote at the Company's 2017 AGM in respect of the Directors' Compensation Policy and the 2016 Compensation Committee Report is set out in the table below:

	Votes for		Votes against		Votes cast	Votes withheld
Resolution	**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 approve the Compensation Committee report	759,137,519	79.21	199,191,704	20.79	958,329,223	6,627,186

Executive Directors' total compensation received (audited)

Single total figure of compensation

		Base salary	Benefits[3]	DEPs[4]	Pension	Short-term incentive[5]	Long-term incentive[6]	Total annual compensation
		£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Sir Martin Sorrell[1]	**2017**	**1,149**	**200**	**2,170**	**402**	**–**	**10,009**	**13,930**
	2016	1,150	228	1,758	460	2,992	41,560	48,148
Paul Richardson[1,2]	**2017**	**833**	**66**	**–**	**249**	**–**	**2,725**	**3,873**
	2016	798	62	–	240	1,517	6,698	9,315

1 Any US dollar amounts received in 2017 have been converted into sterling at an exchange rate of $1.2887 to £1.

2 Paul Richardson's base salary figure is denominated in US dollars other than his fee for directorship of WPP plc which amounts to £100,000 which, per above, has been converted at an exchange rate of $1.2887 to £1. There has been no change in base salary over 2017 and the differences between the 2017 and 2016 values is because of a change in exchange rates.

3 The benefits, and therefore total annual compensation, set out in the table above exclude the disclosable value of expenses related directly to attendance at Board meetings that would be chargeable to UK income tax. The expenses were for Sir Martin Sorrell £4,492 (£2,578 in 2016) and Paul Richardson £8,307 (£13,826 in 2016). Details of benefits are set out on page 94.

4 Sir Martin Sorrell receives payments in accordance with the approval granted by share owners of amounts equal to the dividends that would be payable during 2017 totalling £2,169,831 (£1,757,739 during 2016), in respect of the shares reflected in the UK and US Deferred Stock Units Awards Agreements, these agreements that now comprise the awards granted under the Capital Investment Plan in 1995. 2017 is the final year in which such payments will be made.

5 This is the aggregate amount awarded for the 2016 financial years' performance. In 2016, 50% of the award was delivered in a deferred share bonus in the form of an ESA, which vests two years from the date of grant subject to continued employment, and 50% cash.

6 This is the value of the 2013 EPSP, and 2012 LEAP, awards which vested in 2018, and 2017, following the end of the EPSP five-year performance period on 31 December 2017, and LEAP five-year performance period on 31 December 2016.

Fixed elements of compensation (audited)

Base salary

Base salary policy

- Reviewed every two years or following a change in role
- Includes director fee of £100,000

Company and personal performance taken into account during review process

Base salary will normally increase by no more than the local rate of inflation

	Effective date	Contractual salary 000	Base salary received in 2017 000
Sir Martin Sorrell	1 January 2013	£1,150	**£1,149[1]**
Paul Richardson	1 July 2013	$945 and £100	**$1,074[2]**

1 Sir Martin Sorrell receives 40% of his base salary in US dollars, converted using monthly average exchange rates.

2 The fee for Paul Richardson has been converted into US dollars at a rate of $1.2887 to £1.

Each Executive Director receives a fee of £100,000 for their directorship of WPP plc, included above. The base salary for the Executive Directors are reviewed, but not necessarily changed, every 24 months. There have been no changes in base salary for the Executive Directors since 2013.

Benefits, dividend equivalent payments and pension

Benefits policy	Fixed, non-itemised allowance enabling executives to procure their own benefits as required	Allowances are: Group Chief Executive – £200,000 Group Finance Director – $85,000	Reviewed periodically by the Committee

	2017 Benefits 000	2017 DEPs 000
Sir Martin Sorrell	**£200**	**£2,170**
Paul Richardson	**$85**	**–**

This allowance excludes the disclosable value of expenses, related directly to attendance at Board meetings that would be chargeable to UK income tax.

The table above also includes share owner-approved dividend equivalent payments of £2,169,831 (£1,757,739 during 2016) which are due on certain of Sir Martin Sorrell's deferred share awards. This is the final year in which such payments will be made as all deferred awards have now been exercised.

Pension policy	Contribution to a defined contribution retirement arrangement, or a cash allowance	Contributions/allowances are as follows (as % of base salary): Group Chief Executive – 30% Group Finance Director – 30% New Executive Directors – 25%	Only base salary is pensionable

	Contractual pension (% of base salary)	2017 Pension £000
Sir Martin Sorrell	40%/30%	**402**
Paul Richardson	30%	**249**

The new Directors' Compensation policy that was approved in June 2017 reduced the pension for Sir Martin Sorrell from 40% to 30% of base salary. This came into effect on 1 July 2017. Therefore, the amounts included in the table above represent six months under the old policy at 40% of base salary and six months under the new policy at 30% of base salary. There was no change for Paul Richardson.

Variable elements of pay

The purpose of the short-term and long-term incentives is to drive the achievement or the Group's business and strategic priorities and maximise alignment with share owner interests. The performance measures used in the incentive plans are linked to the Group's Key Performance Indicators (KPIs) as outlined on page 32 in the strategic report.

Measure	Short-term incentive	Long-term incentive
Revenue and revenue less pass-through costs growth greater than industry average	●	
Annual improvement of revenue less pass-through costs margin	●	
Annual diluted headline EPS growth of 5-10%		●
Advance the practice of 'horizontality'	●	
Increase combined geographic share of revenues from faster-growing markets	●	
Increase share of revenues from new media	●	
Maintain the share of more measurable advertising and marketing services with a focus on the application of technology, data and content	●	

Short-term incentive (audited)

This section summarises the Compensation Committee's assessment of the Executive Directors' performance during 2017 under the short-term incentive plan.

Short-term incentive policy

Group Chief Executive – 400% base salary (target 50% of max)
Other Executive Directors – 250% base salary (target 66% of max)

70 % subject to financial performance
30% subject to individual objectives

- 60% cash
- 40% deferred into shares, vesting after two years

- Deferred shares subject to malus provisions
- Cash bonus subject to clawback provisions

2017 short-term incentive plan outcome

	Actual short-term incentive received	Attributed to financial objectives	Attributed to personal objectives	Total 2017 short-term incentives £000
Sir Martin Sorrell	–	–	–	**-**
Paul Richardson	–	–	–	**-**

Performance against 2017 financial objectives (70% of the award)

Performance against all financial objectives is calculated on a pro forma ('like-for-like') basis other than revenue less pass-through costs margin that is calculated on a constant currency basis. The key financial short-term incentive plan objectives for both of the Executive Directors are consistent with 2016 and provide a robust basis for assessing financial achievement.

Group performance (Group Chief Executive and Group Finance Director)

Measure	Weighting	Threshold	Target	Maximum	Actual	% of target achieved	% of maximum achieved
Like-for-like headline PBT growth	⅓	2.5%	5.0%	7.5%	(0.28%)	–	–
Constant currency headline revenue less pass-through costs margin improvement	⅓	0.0%	0.3%	0.4%	0.0%	–	–
Like-for-like growth in revenue less pass-through costs	⅓	1.0%	2.0%	3.0%	(0.9%)	–	–

Performance against 2017 individual strategic objectives (30% of the award)

Executive Director	Personal measure 2017 (30%)	Clarification of measures	Maximum potential (% of base salary)	Award received (% of maximum)
Sir Martin Sorrell	Leadership planning	Actively managing the process of strengthening the Group's senior leadership teams through internal development, promotions, transfers and external hires.	120%	See note below
	Strategic planning & execution	Key focus areas include maintaining creative excellence; driving strategy in the digital, data, analytics and new markets; improving the effectiveness of the WPP horizontality approach to enhance client service delivery.		
Paul Richardson	Working capital management	Improving year-on-year rolling average net working capital as a percentage of the annual revenue trend.	75%	See note below
	WPP IT Transformation	Implementing a transformational program of outsourcing IT services to produce enhanced service and cost savings in future years.		
	Financial control	Demonstrating measures taken to improve operating company balance sheet control and management.		

The Committee acknowledges that good progress has been made against the Executive Directors' strategic objectives. WPP achieved first position at both Cannes 2017 and the Effies 2017, as well as making some strategically positive movements in terms of acquisitions during the year. Typically, such strong strategic performance would warrant a portion of the short-term incentive to be paid out. However, in view of the financial performance for the year, the Committee has used its discretion and determined that it would be inappropriate to award a bonus for 2017.

Short-term incentive weightings and measures for 2018

The Committee has reviewed the performance objectives for 2018 to ensure continued alignment with Company strategy. The Group financial measures of headline PBT growth, revenue less pass-through costs margin improvement and revenue less pass-through costs growth will remain the same. 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)

Executive Performance Share Plan (EPSP) policy	– Group Chief Executive – 6x base salary – Other Executive Directors – 3x base salary – 15% of maximum at threshold – Straight-line vesting between threshold and maximum	– 1/3 relative TSR – 1/3 headline diluted EPS growth – 1/3 average ROE	Five-year performance period	– Subject to malus and clawback provisions – Awards accrue dividends

2013–2017 EPSP awards vesting

The 2013 awards are the first set of awards made under the Executive Performance Share Plan (EPSP) that was approved by share owners at the AGM in 2013. The EPSP replaced the Leadership Equity Acquisition Plan (LEAP) and was designed to take account of share owner views gained during an extensive consultation process.

Vesting of the 2013 EPSP awards was dependent on performance against three measures, all assessed over a five-year performance 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 rate of diluted headline EPS.
- Average annual ROE.

Over the five-year performance period:

- WPP's TSR outperformed 63% of the weighted peer group on a common currency basis resulting in vesting of 46% of the maximum for that element.
- WPP's TSR outperformed 77% of the weighted peer group on a local currency basis resulting in vesting of 73% of the maximum for that element.
- The compound annual growth rate (CAGR) in headline diluted EPS was 10.40%, which was between the threshold and maximum targets, resulting in a vesting of 59% of maximum for that element.
- The Group delivered strong ROE over the five-year performance period of 15.75%, resulting in vesting at maximum for that element.

In aggregate, WPP's performance against the three measures resulted in an overall achievement level of 72.8% of the maximum award.

2013 EPSP award performance achievement

Performance measures	Weighting	Threshold	Maximum	Actual	% of maximum achieved
Relative TSR (common currency)	⅓	50% of weighted peer group outperformed	90% of weighted peer group outperformed	Between median and upper decile	46%
Relative TSR (local currency)				Between median and upper decile	73%
Headline diluted EPS (CAGR)	⅓	7.0%	14.0%	10.40%	59%
Average annual ROE	⅓	10.0%	14.0%	15.75%	100%
Total vesting (% of maximum)					72.8%

	Number of shares awarded	Additional shares in respect of dividend accrual	Number of shares vesting	Share price on vesting	Value of vested 2013-2017 EPSP awards 000
Sir Martin Sorrell	1,032,540	147,003	858,730	£11.6554	£10,009
Paul Richardson[1]	52,026	7,478	43,320	$81.0566	$ 3,511

[1] Paul Richardson's 2013 EPSP was granted in the form of ADRs.

2017 EPSP awards granted

In 2017, the Executive Directors, along with a select number of senior executives within the Group, were granted awards under the EPSP. The 2017 awards for Executive Directors were granted at the lower level approved by share owners in the latest compensation policy. The 2017 awards are subject to three equally-weighted independent performance conditions, being relative TSR, EPS and ROE. The table below summarises the awards granted and the performance conditions against which participants will be measured.

Awards granted in 2017	Basis and level of award (% of salary)	Award over	Number of interests awarded	Face value at date of grant[1] 000
Sir Martin Sorrell	600%	Ordinary shares	534,428	£6,900
Paul Richardson	300%	ADRs	36,933	$3,210

Performance measures	Total Shareholder Return (TSR)	Earnings per share (EPS)	Return on equity (ROE)
Weight	One-third	One-third	One-third
Nature	Relative to peers	WPP growth	WPP absolute
Performance zone (threshold to maximum)	Median to upper decile	7-14% compound annual growth	15-18% annual average[2]
Payout	Below threshold: 0% of elements Threshold: 15% of element vests Maximum or above: 100% of element vests		
	Straight-line vesting between threshold and maximum		
Performance period	Five-years ending on 31 December 2021		

1 Face value is calculated based on the five-day average share price preceding the date of award (£12.9110 for ordinary shares and $86.9138 for ADRS).
2 The ROE measure for EPSP awards issued in 2013 and 2014 was a 10% to 14% average return.

As in previous years, WPP's TSR performance is compared to companies representing our most relevant, listed global competitors, weighted by market capitalisation. For 2017 EPSP awards, the comparator group comprised Dentsu, GfK, Havas, Interpublic, Ipsos, Nielsen, Omnicom and Publicis. GfK and Havas, two of the comparator companies, have been taken over since the start of the performance period by Kohlberg Kravis Roberts and Vivendi, respectively. In line with the guidelines previously established by the Committee, the two companies will be removed from the comparator group as neither will be listed for more than 40% of the eventual performance period. 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 2018–2022

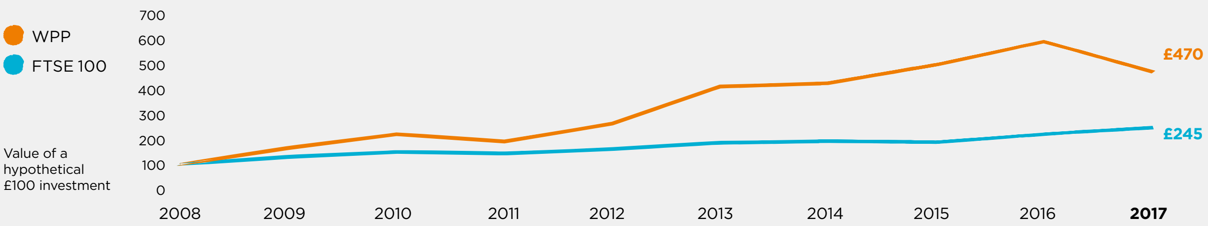
The Committee is reviewing both the measures and the targets as part of its regular annual review. If the Committee determines that changes are required, major share owners will be consulted prior to awards being made later in 2018.

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 nine years for the Group Chief Executive.

Historical TSR performance[1] Value of hypothetical £100 holding



Financial year 31 December	2009	2010	2011	2012	2013	2014	2015	2016	2017
Group Chief Executive total compensation (£000)[2]	7,199	11,597	11,941	17,543	29,846	42,704	70,409	48,148	**13,930**
Year-on-year change in Group Chief Executive total compensation	63%	61%	3%	47%	70%	43%	65%	(32%)	**(71%)**
Short-term incentive award against maximum	32%	95%	77%	62%	82%	72%	86%	60%	**0%**
Long-term incentive award against maximum	50%	83%	46%	86%	87%	100%	100%	100%	**72.8%**
Change in annual TSR[3]	66%	32%	(13%)	38%	56%	3%	18%	19%	**(20%)**
Change in five-year TSR[4]	10%	37%	13%	45%	241%	172%	135%	210%	**96%**

1 Growth in the value of a hypothetical £100 holding of WPP ordinary shares over nine 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 LEAP/EPSP.

Relative importance of spend on pay

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

	2017	2016	% change
Total staff costs	**£8,319.0m**	£7,784.9m	6.86%
Headcount – average over year	**134,428**	132,657	1.34%
Dividends and share buy-backs	**£1,255.7m**	£1,043.9m	20.29%

Relative change in pay for the Group Chief Executive

The following table summarises the change in the Group Chief Executive's base salary, taxable benefits and annual bonus, compared to that of full-time employees within the Group. The taxable benefits of the Group Chief Executive have reduced due to the application of the new benefits policy. The taxable benefits of employees has increased in line with inflation. The rationale for the decrease in the Group Chief Executive's bonus is detailed on page 96.

	Base salary[1]	Taxable benefits[1,2]	Annual bonus[1]
Group Chief Executive	No change	(12.3%)	(100%)
All employees	1.8%	3.2%	(17.5%)

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. The annual bonus data for the Group Chief Executive uses the short-term incentive figures set out on page 95.

2 Taking into account 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 the taxable benefits consists of UK employees only.

Non-Executive Directors' fees

Non-Executive Director policy

- Base fees reflect skills and experience and time required to undertake the role
- Additional fees reflect additional time required in any additional duties for the Company
- To enable the Chairman and Non-Executive Directors to undertake their roles
- No element of pay is performance linked

The fees due to Non-Executive Directors, last reviewed on 1 July 2013, are set out below.

	£000
Chairman	475
Non-Executive Director	70
Senior Independent Director	20
Chairmanship of Audit or Compensation Committee	40
Chairmanship of Nomination and Governance Committee	15
Member of Audit or Compensation Committee	20
Member of Nomination and Governance Committee	10

Non-Executive Directors' total compensation received (audited)

The single figure table on page 102 details fee payments received by the Non-Executive Directors while they held a position on the Board. During both 2016 and 2017, 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 2017, the disclosable value of the expenses that would be chargeable to UK income tax totalled £48,100 (including £19,214 of national insurance and income tax, where relevant).

Non-Executive Directors' total compensation received (audited) (continued)

	Fees £000 2017	Fees £000 2016
Roberto Quarta	**475**	475
Jacques Aigrain	**130**	130
Charlene Begley[1]	**44**	100
Tarek Farahat	**87**	13
Sir John Hood	**110**	110
Ruigang Li	**80**	80
Daniela Riccardi	**80**	80
Nicole Seligman	**91**	85
Hugo Shong	**80**	80
Timothy Shriver[1]	**39**	90
Sally Susman	**80**	80
Sol Trujillo	**90**	90

1 Charlene Begley and Timothy Shriver retired from the Board 7 June 2017.

Past directors

During 2017, payments were made to past directors who continued to provide advisory services to the Company.

A payment of £21,768 was made to John Quelch in respect of educational presentations he gave to companies within the WPP Group. A payment of £30,000 was made to John Jackson in respect of his advisory role to WPP, which enables the Company to benefit from his considerable knowledge and experience in the communications and marketing services sector. 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 £38,000 for his consultancy services.

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 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 2017, the Company's ESOPs (which are entirely independent of the Company and have waived their rights to receive dividends) held in total 14,232,910 shares in the Company (13,857,706 in 2016).

				Outstanding scheme interests		
Director		Total share interests (including charitable foundation)	Total beneficial interests	Shares without performance conditions (unvested)[1,2]	Shares with performance conditions (unvested)[3,4]	Total unvested shares
Sir Martin Sorrell[5]	At 31 December 2017	22,515,954	17,940,018	220,772	3,829,864	4,050,636
	At 24 April 2018	23,116,251	17,640,315	86,955	2,797,324	2,884,279
Paul Richardson	At 31 December 2017	1,068,240	1,068,240	100,585	1,046,960	1,147,545
	At 24 April 2018	1,068,240	1,068,240	46,400	786,830	833,230

1 Shares due pursuant to the 2015 and 2016 Executive Share Awards, full details of which can be found on page 103. Additional dividend shares will be due on vesting.
2 As noted in footnote 1 above, less 2015 Executive Share Awards, which vested on 6 March 2018 (full details can be found on page 103).
3 Maximum number of shares due on vesting pursuant to the outstanding EPSP awards, full details of which can be found on page 104. Additional dividend shares will be due on vesting.
4 As noted in footnote 3 above, less the maximum due under the 2013 EPSP Award, which vested on 13 March 2018 (full details can be found on page 98).
5 On 27 March 2018, Sir Martin Sorrell gifted 900,000 ordinary shares to The JMCMRJ Sorrell Charitable Foundation. At 24 April 2018, The JMCMRJ Sorrell Charitable Foundation is interested in 5,475,936 ordinary shares. Sir Martin Sorrell has no beneficial interest in these shares.

Share ownership guidelines

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

At the end of 2017, and at the date of this Compensation Committee report, both the Executive Directors exceeded their respective share ownership guidelines by a substantial margin.

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 2017	Total interests at 24 April 2018
Roberto Quarta	37,500	37,500
Jacques Aigrain	13,000	13,000
Charlene Begley[1]	2,140	2,140
Tarek Farahat	2,100	2,100
Sir John Hood	3,000	3,000
Ruigang Li	4,000	4,000
Daniela Riccardi	4,100	4,100
Nicole Seligman	6,250	6,250
Hugo Shong	22,915	22,915
Timothy Shriver[1]	10,070	10,070
Sally Susman	5,000	5,000
Sol Trujillo	10,000	10,000

1 Charlene Begley and Timothy Shriver retired from the Board on 7 June 2017. The information disclosed reflects their total interests at this date.

Outstanding share-based awards

Executive Share Awards (ESAs) held by Executive Directors

All Executive Share Awards granted under the Restricted Stock Plan are made on the basis of satisfaction of previous performance conditions and are subject to continuous employment until the vesting date. Due to no short-term incentive being awarded for 2017, there will be no 2017 ESAs granted. 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[3] 000	Additional shares granted in lieu of dividends	Total shares vesting	Vesting date	Shares / ADR price on vesting	Value on vesting 000
Sir Martin Sorrell	2014 ESA	27.05.15	£15.8350	113,347	£1,795	6,762	120,109	06.03.17	£17.1957	£2,065
	2015 ESA	07.06.16	£15.9850	133,817	£2,139	–	–	06.03.18	–	–
	2016 ESA	06.06.17	£17.2050	86,955	£1,496	–	–	06.03.19	–	–
Paul Richardson[1]	2014 ESA	27.05.15	$121.7200	9,817	$1,195	601	10,418	06.03.17	$104.6582	$1,090
	2015 ESA	07.06.16	$116.2700	10,837	$1,260	–	–	06.03.18	–	–
	2016 ESA	06.06.17	$110.7600	9,280	$1,028	–	–	06.03.19	–	–

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).

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	Maximum number of nil cost options over shares/ADRs awarded[2]	Share/ADR price on grant date[3]	During 2017 Options vested/ (lapsed)	During 2017 Additional dividend shares	During 2017 Options exercised or deferred	Maximum number of nil cost options over shares/ADRs at 31 December 2017
Sir Martin Sorrell	04.06.14	01.01.14-31.12.18	867,756	£12.9080	–	–	–	867,756
	09.06.15	01.01.15-31.12.19	738,267	£15.1720	–	–	–	738,267
	28.11.16	01.01.16-31.12.20	656,873	£17.0520	–	–	–	656,873
	04.12.17	01.01.17-31.12.21	534,428	£12.9110	–	–	–	534,428
Paul Richardson[1]	04.06.14	01.01.14-31.12.18	40,927	$107.9960	–	–	–	40,927
	09.06.15	01.01.15-31.12.19	37,970	$115.8800	–	–	–	37,970
	28.11.16	01.01.16-31.12.20	41,536	$105.9309	–	–	–	41,536
	04.12.17	01.01.17-31.12.21	36,933	$86.9138	–	–	–	36,933

1 Paul Richardson's EPSP awards 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 five trading days preceding the date of grant (as set out in the table).

Full details of the 2017 EPSP award, including performance measures and targets, can be found on page 99.

Implementation of reward policy for management outside the Board

The Company uses share-based compensation programs across the Company to incentivise and retain employees, recruit new talent and to encourage a strong ownership culture among employees. The use of the core share plans in 2017 is described below.

The Restricted Stock Plan (RSP)
The WPP Leaders, Partners and High Potential program made awards to about 1,800 of our key executives in 2017. 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 other aspect of the RSP except for the deferred share bonus award. All awards granted under the RSP are subject to malus and clawback conditions.

WPP Share Option Plan 2015
During 2017, the WPP Share Option Plan 2015 was used to make awards to over 50,000 employees. By 31 December 2017, options under this plan, and its predecessor, the Worldwide Ownership Plan, had been granted to approximately 167,000 employees over 84 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 2017. The Executive Directors do not participate in this plan.

Share incentive dilution for 2007 to 2017

The share incentive dilution level, measured on a 10-year rolling basis, was at 3.3% at 31 December 2017 (2016: 3.0%). 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
24 April 2018