

SECTION 430(2B) COMPANIES ACT 2006 STATEMENT

WH SMITH PLC

WH Smith PLC (the “**Company**”) announced on 21st May 2019 that Stephen Clarke has decided to step down as Group Chief Executive with effect from 31st October 2019. As required by section 430(2B) of the Companies Act 2006, details of the remuneration payments to be made to Stephen Clarke are set out below.

Salary and benefits

Stephen Clarke will continue to receive his salary and contractual benefits up to 31 October 2019.

Other terms agreed with Stephen Clarke, which were the subject of careful consideration by the Remuneration Committee and are in line with the Company’s Remuneration Policy which was approved by shareholders at the 2019 AGM, are as follows:

Annual Bonus Plan (the ‘Plan’)

Stephen Clarke will be treated as a good leaver under the Plan and will be paid such bonus, if any, as may be due to him for the financial year ending 31st August 2019. Any such bonus will be paid at such time and on the same basis as the other senior executives who participate in the Plan. Any bonus payable in respect of the financial year ending 31st August 2019 will be paid in cash and shares. One third of any bonus payable over target will be deferred into shares for a period of up to three years. The shares will be released one third on each anniversary of assessment. Stephen Clarke is not eligible for a bonus for the financial year ending 31st August 2020. Any bonus will remain subject to malus and clawback provisions.

Long-Term incentives (‘LTIP’)

Stephen Clarke will be treated as a good leaver under the LTIP in accordance with plan rules. The details of the treatment agreed is set out in the below table and all outstanding awards will remain subject to malus and clawback provisions.

Type of Award	Outstanding Awards	Treatment
LTIP October 2016	118,794	Due to vest in October 2019 (subject to performance testing). Fifty per cent of any vested shares will be exercisable for a period of 12 months from the third anniversary of the date of grant, ie, from October 2019. The remaining fifty per cent of any vested shares will be exercisable for a period of 12 months from the fifth anniversary of the date of grant, ie, from October 2021.
LTIP October 2017	Pro-rated position: 65,336	Due to vest in October 2020 (subject to performance testing). Fifty per cent of any vested shares will be exercisable for a period of 12 months from the third anniversary of the date of grant, ie, from October 2020.

		The remaining fifty per cent of any vested shares will be exercisable for a period of 12 months from the fifth anniversary of the date of grant, ie, from October 2022.
LTIP November 2018	Pro-rated position: 39,097	Due to vest in November 2021 (subject to performance testing). One hundred per cent of any vested shares will be exercisable for a period of 12 months from the fifth anniversary of the date of grant, ie, from November 2023.

Stephen Clarke will not receive any new awards under the LTIP in 2019.

Note: LTIP awards will remain subject to performance and will be further reduced if the performance targets are not achieved.

Further information

The relevant remuneration details relating to Stephen Clarke, including information on the vesting of any outstanding awards detailed above and the dividend equivalents payable on them, will be included in the Directors' Remuneration Report in the Annual Report and Accounts.

In accordance with section 430(2B) of the Companies Act 2006, the information contained in this document will be made available on WH Smith PLC's website until WH Smith PLC's next Directors' Remuneration Report is made available.

21 May 2019