



How we comply

Corporate governance: How the Company is governed, including risk management and activities of the Board

Statements of compliance

UK Corporate Governance Code compliance

The Board considers that WPP complied in all material respects throughout 2015 with the provisions of the UK Corporate Governance Code.

Internal control

WPP operates a system of internal control, which is maintained and reviewed in accordance with the UK Corporate Governance Code and the FRC guidance on risk management and internal control.

How we comply

We have structured this section around the main principles of the UK Corporate Governance Code to enable share owners to evaluate how the principles have been applied.

Leadership

The role of the Board

The Board is collectively responsible for promoting the success of the Company by directing and supervising the Company's policy and strategy and is responsible to share owners for the Group's financial and operational performance and risk management. Responsibility for the development and implementation of Group policy and strategy and for day-to-day management issues is delegated by the Board to the Group chief executive and Group finance director. The list of matters reserved to the Board can be downloaded from the website wpp.com/wpp/investor.

During 2015, the Board met six times formally and held 17 committee meetings throughout the year.

Attendance of directors at meetings	Board	Audit Committee	Compensation Committee	Nomination and Governance Committee
Roberto Quarta (Chairman) ^{1,4}	6	8	4	3
Sir Martin Sorrell	6	–	–	–
Paul Richardson	6	8	–	–
Philip Lader ^{1,3}	3	5	–	2
Roger Agnelli ^{2,6,7}	6	8	4	2
Jacques Aigrain	6	8	5	–
Charlene Begley	6	8	–	4
Colin Day ³	3	5	4	–
Ruigang Li ⁶	4	–	3	1
Nicole Seligman ⁶	6	–	5	–
Daniela Riccardi ^{2,6}	5	–	3	1
Jeffrey Rosen ³	3	5	4	2
Hugo Shong ^{5,6}	6	5	4	4
Sir John Hood	6	–	5	–
Tim Shriver ²	5	–	5	3
Sally Susman	6	–	–	3
Sol Trujillo ⁶	6	7	4	–

¹ By invitation, and whilst chairman, Philip Lader and then Roberto Quarta attended all of the Audit Committee meetings.

² Roger Agnelli and Tim Shriver retired from and Daniela Riccardi was appointed to the Nomination & Governance Committee on 10 October 2015.

³ Philip Lader, Colin Day and Jeffrey Rosen retired on 9 June 2015.

⁴ The chairman was appointed to the Compensation Committee and the Nomination and Governance Committee on 9 February 2015.

⁵ Hugo Shong retired from the Audit Committee on 10 October 2015.

⁶ Roger Agnelli, Ruigang Li, Daniela Riccardi, Hugo Shong, Nicole Seligman and Sol Trujillo retired from the Compensation Committee on 10 October 2015.

⁷ Roger Agnelli tragically died on 19 March 2016.

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 and attended all meetings of the Audit Committee 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 share owners and investor bodies, ensures that systems are in place to provide directors with timely and accurate information, represents the Company in external gatherings, and is also responsible for the Board governance principles. He has led the Board evaluation process, restructuring of the committee membership, and the ongoing emphasis on management development and CEO and senior management succession planning.

The role of the senior independent director

The senior independent director is Nicole Seligman who is available to share owners 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. The Board announced the appointment of Nicole Seligman as senior independent director on 4 April 2016, following the recommendation of the Nomination and Governance Committee and succeeding Jeffrey Rosen who retired at the 2015 AGM. Nicole Seligman was appointed to the Board in January 2014 and has served on the Compensation Committee and attends the other committee meetings at the invitation of the chairmen of those committees.

Non-executive directors

The non-executive directors have a diverse range of skills, experience and backgrounds. As detailed in their biographies on pages 108 to 110, the non-executive directors work across the globe in media and advertising, investment banking and investment management, pharmaceuticals, logistics and bioenergy, airlines, 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. They provide constructive challenge and assistance to the Group chief executive in developing the Group's strategy. All directors have access to the services of the Company Secretary and may take independent professional advice at the Company's expense in conducting

their duties. The Company provides insurance cover for its directors and officers.

Effectiveness

The composition of the Board

The Board is composed of 13 directors. Two current members are executive directors and 11, including the chairman, are non-executive directors. 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 2016 AGM continue to demonstrate the characteristics of independence.

Succession: Board and committee membership

The following changes to the Board's roles and composition took place during 2015 and early 2016:

- Nicole Seligman has succeeded Jeffrey Rosen as the senior independent director.
- Jacques Aigrain has succeeded Colin Day as chairman of the Audit Committee. Jacques Aigrain has been a member of the Audit Committee since joining the Board in May 2013.
- Roberto Quarta succeeded Philip Lader as chairman of the Group and as chairman of the Nomination and Governance Committee.
- Roger Agnelli, who was a member of the Audit Committee, tragically died on 19 March 2016.

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 2015, the Board met in Beijing, where it received briefings from all the heads of the Group's Asia Pacific operations. In 2016, in Berlin, the Board will review the Group's European operations.

Evaluation

WPP undertakes an annual review of the Board, its committees and individual directors. The annual evaluation of the Board's and all committees' effectiveness was commenced at the end of 2015 following the appointment of the new chairman and the realignment of the committee memberships. As outlined in the Nomination and Governance Committee report on page 117, an evaluation process is being externally facilitated. Our expert's observations from these discussions and meetings are being reviewed by the Board with proposals being made to the full Board as to improving Board effectiveness. The results of the evaluation will be considered in the 2015 Sustainability Report to be published shortly and discussed as part of the ongoing dialogue with share owners.

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.

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 and which is nine years.

Diversity

WPP recognises the importance of diversity, including gender, at all levels of the Group as well as the Board.

WPP is committed to increasing diversity across its subsidiaries and supports the development and promotion of all talented individuals. As at 31 December 2015, women comprised 29% of the WPP Board and 33%

of non-executive directors, 31% of Board members and executive leaders in the subsidiaries, 46% of senior managers and 54% of total employees. As at the date of this report, women comprised 31% of the WPP Board and 36% of non-executive directors.

Directors' conflicts of interest

The Company's Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a director has an interest that conflicts, or may possibly conflict, with the interests of the Company (Situational Conflicts). The Board has a formal system in place for directors to declare Situational Conflicts to be considered for authorisation by those directors who have no interest in the matter being considered. In deciding whether to authorise a Situational 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, or subsequently, if they think this is appropriate.

Any Situational Conflicts considered, and any authorisations given, are recorded in the relevant minutes. The prescribed procedures have been followed in deciding whether, and on what terms, to authorise Situational Conflicts and the Board believes that the systems it has in place for reporting and considering Situational Conflicts continue to operate effectively.

Remuneration

Non-executive directors do not participate in the Company's pension, share option or other incentive plans.

The Board considers that the non-executive directors' remuneration conforms with the requirements of the UK Corporate Governance Code.

The fees payable to non-executive directors represent compensation in connection with Board and Board committee meetings and where appropriate for devoting additional time and expertise for the benefit of the Group in a wider capacity.

Details of directors' remuneration and service contracts form part of the report of the Compensation Committee which commences on page 121.

Relations with share owners

Dialogue with share owners

The relationship with share owners, potential share owners and investment analysts is given high priority by the Company.

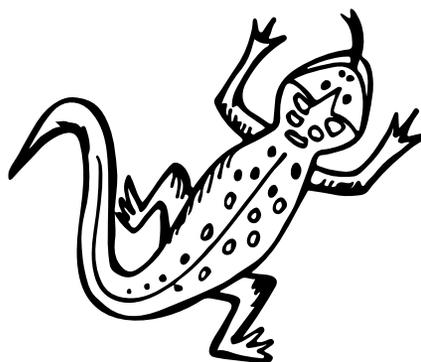
The Company has a well-developed and continuous program to address the needs of share owners, investment institutions and analysts for a regular flow of information about the Company, its strategy, performance and competitive position. Given the wide geographic distribution of the Company's current and potential share owners, this program includes regular visits to investors, particularly by the Group chief executive, the Group finance director, the deputy Group finance director and the head of investor relations, 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.

The Company ensures that it has a proper dialogue with share owners and their representative bodies through executive and non-executive directors in relation to remuneration and corporate governance matters. In 2015, the chairman held extensive rounds of discussions with share owners and advisory groups regarding senior executive compensation, and CEO and Board succession planning. The chairman and senior independent director provide thorough feedback to the Board on issues raised with them by share owners.

WPP's website, wpp.com, provides current and historical financial information, including trading statements, news releases and presentations and the Company's statement of its corporate governance practices.

The Annual General Meeting

The 2016 AGM will be held on Wednesday 8 June 2016 at 12 noon at Pullman Hotel London St Pancras, 100-110 Euston Road, London NW1 2AJ. A separate notice convening the meeting is distributed to share owners and will be published on WPP's website, wpp.com. All resolutions for which notice has been given will be decided on a poll.



Other statutory information

Substantial share ownership

As at 15 April 2016, the Company is aware of the following interests of 3% or more in the issued ordinary share capital:

MFS	6.6%
BlackRock Inc	5.1%

The disclosed interests refer to the respective combined holdings of the entity and to interests associated with it.

The Company has not been notified of any other holdings of ordinary share capital of 3% or more.

Profits and dividends

The profit before tax for the year was £1,492.6 million (2014: £1,451.9 million). The directors declared a final dividend of 28.78p (2014: 26.58p) per share to be paid on 4 July 2016 to share owners on the register at 10 June 2016 which, together with the interim ordinary dividend of 15.91p (2014: 11.62p) per share paid on 9 November 2015, makes a total of 44.69p for the year (2014: 38.20p).

Change of control

All of our bonds contain provisions which are triggered on a change of control of the Company. The holders of such bonds have the right to repayment at par except for holders of our US\$ bonds. The holders here have the right to redeem the bonds at 101% of par, if the Company is non-investment grade at the time of the change of control or becomes non-investment grade within 120 days of the announcement of the change of control.

In addition, the Group has a Revolving Credit Facility in the amount of \$2,500 million due July 2020, the terms of which require the consent of the majority of the lenders if a proposed merger or consolidation of the Company would alter its legal personality or identity.

In general terms, awards granted under WPP's incentive plans will usually vest on a change of control, albeit on a pro-rated basis. Where awards are subject to performance conditions, those conditions will still need to be met, also on a pro-rated basis. Certain incentive plans allow the Compensation Committee to require outstanding awards to be exchanged for equivalent awards in the acquiring company.

Articles of Association

There are no restrictions on amending the Articles of Association of the Company other than the need to pass a special resolution of the share owners.

Share capital

The Company's authorised share capital consists solely of 1,750,000,000 ordinary 10 pence shares. The Company operates an American Depositary Receipt program. The rights and obligations relating to the ordinary share capital are outlined in the Articles of Association; there are no restrictions on transfer, no restrictions on voting rights and no securities carry special voting rights with regard to control of the Company.

At the AGM on 9 June 2015, share owners passed resolutions authorising the Company, in accordance with its Articles of Association, to allot shares up to a maximum nominal amount of £87,271,076 of which £6,551,882 could be allotted for cash free of statutory pre-emption rights. In the year under review no shares were issued for cash free from pre-emption rights. Details of share capital movements are given in note 26 on pages 211 to 213.

Authority for purchase of own shares

At the AGM on 9 June 2015, share owners passed a special resolution authorising the Company, in accordance with its Articles of Association, to purchase up to 131,037,653 of its own shares in the market. In the year under review, 39,607,954 ordinary shares of 10 pence each were purchased at an average price of £14.84 per share.

Auditors

The directors will propose a resolution at the AGM to re-appoint Deloitte LLP as auditors.

Statement of directors' responsibilities in respect of the preparation of financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. The directors have elected to prepare financial statements for the Group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and have also elected to prepare financial statements for the Company in accordance with UK accounting standards. Company law requires the directors to prepare such financial statements in accordance with the Companies (Jersey) Law 1991.

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

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

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report and directors' remuneration report.

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

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

In accordance with the principles of the UK Corporate Governance Code, the Board has established arrangements to evaluate whether the information presented in the Annual Report is fair, balanced and understandable; these are described on page 117.

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

The letters from the chairmen of the Nomination and Governance, Audit and Compensation Committees, the statements regarding directors' responsibilities and statement of going concern set out above and the directors' remuneration and interests in the share capital of the Company set out on pages 113 to 153, are included in the Directors' report, which also includes the sections 'Strategic report to share owners', 'What we think' and 'Who runs WPP'.

By Order of the Board:

Marie Capes
Company Secretary
15 April 2016