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 2014 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 guidance in the Turnbull Report and the FRC guidance on risk management.

How we comply

For ease of reference we have structured this section around the main principles of the UK Corporate Governance Code.

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 2014, the Board met six times formally and held 20 committee meetings throughout the year.

Attendance of directors at meetings	Board	Audit Committee	Compensation Committee	Nomination and Governance Committee
Philip Lader[1] (chairman)	6	9	6	5
Sir Martin Sorrell	6	–	–	–
Paul Richardson	6	–	–	–
Mark Read	6	–	–	–
Roger Agnelli	6	8	6	4
Jacques Aigrain	6	9	6	–
Charlene Begley[2]	6	9	–	2
Colin Day	6	9	5	–
Esther Dyson[3]	3	–	–	3
Orit Gadiesh[3]	2	–	–	2
Ruigang Li	6	–	4	4
Nicole Seligman	5	–	5	–
Daniela Riccardi	6	–	6	–
Jeffrey Rosen	6	9	6	5
Hugo Shong	5	8	5	4
Sir John Hood	6	–	6	–
Tim Shriver	5	–	4	5
Sally Susman	6	–	–	5
Sol Trujillo	6	9	6	–

[1] By invitation, the chairman attended all of the Audit Committee meetings.
[2] Charlene Begley was appointed to the Nomination and Governance Committee on 17 February 2014.
[3] Orit Gadiesh and Esther Dyson retired in June 2014.

The role of the chairman
The Board is chaired by Philip Lader, who chairs the Nomination and Governance Committee and at the invitation of the chairmen of the Audit and Compensation Committees attended all meetings of those committees. The chairman provides the leadership of the Board and is the main point of contact between the Board and the management team. 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 recruitment and appointment process, determination and periodic revision of confidential leadership plans for potential emergencies, and the ongoing emphasis on management development and CEO succession planning. Philip Lader plans to retire from the Board during 2015 and will be succeeded by Roberto Quarta subject to his election by share owners at the Annual General Meeting (AGM) and on his retirement from the Board of IMI plc.

The role of the senior independent director
The senior independent director is Jeffrey Rosen 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. Jeffrey Rosen has been the senior independent director since April 2010 and will be retiring at the 2015 AGM. His replacement will be announced later in the year.

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 111, the non-executive directors work across the globe in media and advertising, investment banking and investment management, pharmaceuticals, mining, 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 now composed of 17 directors, with at least three non-executive directors, including the Board chairman, planning to retire at the AGM in 2015. Two current members are executive directors and 15, including the chairman, are non-executive directors. Following these changes, the Board will comprise 14 directors, of which 12 are non-executive directors and two are 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 2015 AGM continue to demonstrate the characteristics of independence.

Succession: Board and committee membership
As a consequence of the review of Board composition commenced in 2012 the composition of the Board and the committees has been refreshed.

- The Compensation Committee chairman, Jeffrey Rosen, stepped down as chairman of the committee at the 2014 AGM and was succeeded by Sir John Hood.
- Colin Day will be succeeded by Jacques Aigrain as chairman of the Audit Committee on his retirement at the 2015 AGM. Jacques Aigrain has been a member of the Audit Committee since joining the Board in May 2013.
- Roberto Quarta will succeed Philip Lader as chairman of the Nomination and Governance Committee, at the same time as he takes over as chairman of the Group.
- Mark Read stepped down from the Board on 1 February 2015 to focus on his executive responsibilities as CEO for both Wunderman and WPP Digital.

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 Model 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 2014, the Board met in Rio de Janeiro, where it received briefings from all the heads of the Group's Latin America operations. In 2015, in Beijing, the Board will review the Group's Asia Pacific operations.

Evaluation
WPP undertakes an annual review of the Board, its committees and individual directors. In 2014, the annual evaluation was carried out internally. Each director completed a confidential questionnaire and identified opportunities for improvement. Separate conversations were then held between each director and either the chairman or the senior independent director, who also led the non-executive directors' assessment of the chairman's performance. From these findings, we concluded that the Board and its committees had been effective and are prepared for a variety of potential macroeconomic, industry, client and talent challenges, but must continue to seek additional ways that their effectiveness might be enhanced.

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 then-applicable UK and US standards; that currently being a period of 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 2014, women comprised 24% of the WPP Board and 29% of non-executive directors, 31% of Board members and executive leaders in the subsidiaries, 46% of senior managers and 54% of total employees. Following the retirement of Mark Read on 1 February 2015 and Philip Lader, Colin Day and Jeffrey Rosen at the 2015 AGM, women will comprise 29% of the WPP Board and 33% of non-executive directors, in line with our aspiration to increase and maintain the female representation on the Board to 30% 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.

Accountability

Internal control
The Board (which receives advice from the Audit Committee) has overall responsibility for the system of internal control and risk management in the Group and has reviewed the effectiveness of the system during the year and up to the date of this report. In the context of the scope and complexity of this system, the Board can only give reasonable, not absolute, assurance against material misstatement or loss. The system of controls is designed to manage, but may not eliminate, the risks of failure to achieve WPP's objectives. For certain joint ventures and associates, WPP operates controls over the inclusion of their financial data but places reliance upon the systems of internal control operating within our partners' infrastructure and the obligations upon partners' boards relating to the effectiveness of their own systems.

The principal elements of internal control are described below.

Control environment

The quality and competence of our people, their integrity, ethics and behaviour are all vital to the maintenance of the Group's system of internal control.

The Code of Business Conduct (which is regularly reviewed by the Audit Committee and the Board and was updated in 2012), sets out the principal obligations of all employees. Directors and senior executives throughout the Group are required to sign this Code each year and all employees are required to complete training on the Code. The WPP Policy Book which has been updated with control bulletins in 2014 includes the Code of Business Conduct and human resource practices, as well as guidance on practices in many operational areas. Breaches or alleged breaches of this Code are investigated by the director of internal audit, head of compliance and the Group chief counsel. In 2013, WPP issued the Data Code of Conduct and updated the Supplier Code of Conduct.

The Group has an independently-operated helpline, Right to Speak, to enable our people to report issues that they feel unable to raise locally. Through 52 calls to this helpline, a number of issues have been raised during 2014, all of which have been followed through and investigated where appropriate and reported to the Audit Committee.

Risk assessment

Risk monitoring of all of the Group's operations throughout the world is given the highest priority by the Group chief executive, the Group finance director, the chairman of the Audit Committee and the Board, as it is essential to the creation and protection of share owner value and the development of the careers of our people. The Board realises that WPP is a communication services company and its ongoing prosperity depends on being able to continue to provide a quality service to its existing and potential clients in a creative, efficient and economic way.

Identification, management and monitoring of sustainability risks (including social, environmental and ethical risks) is fully integrated into the Group's risk management processes.

At each Board meeting, the Group chief executive presents a Brand Check review of each of the business' operations, including an assessment of the risk in each business, providing feedback on the business risks and details of any change in the risk profile since the last Board meeting.

The Brand Check covers such issues as:

- the possibility of winning or losing major business (e.g. as a result of a change of senior management at a major client);
- the addition or loss of a key executive of the Group;
- introduction of new legislation in an important market;
- sustainability, including risks relating to marketing ethics, privacy and employment;
- political instability in an important market; and
- changes in accounting or corporate governance practice.

Each operating group undertakes monthly and quarterly procedures and day-to-day management activities to review their operations and business risks. These are formally communicated to the Group chief executive, other executive directors and senior executives in monthly reports and quarterly review meetings and, in turn, to the Board.

Paul Richardson provides a formal annual assessment of sustainability risks and performance to the Nomination and Governance Committee.

The Board is firmly of the opinion that the monitoring of risk is strongly embedded in the culture of the Company and of the operating companies, in a manner which the Board considers reflects the recommendations of the FRC Guidance on Risk Management and the UK Corporate Governance Code.

Control activities and monitoring

Policies and procedures for all operating companies are set out and communicated in the WPP Policy Book, internal control bulletins and accounting guidelines. The application of these policies and procedures is monitored within the individual businesses and by the director of internal audit, head of compliance and the Group chief counsel.

Operating companies are required to maintain and update documentation of their internal controls and processes. This documentation incorporates an analysis of business risks, detailed control activities and monitoring, together with controls over security of data and the provision of timely and reliable information to management. IT and financial controls are also included.

The internal audit department was responsible for reviews and testing of the documentation and the relevant controls for a majority of the Group during 2014, the results of which were reported to the Audit Committee.

Financial reporting

Each operating company annually updates a three-year strategic plan, which incorporates financial objectives. These are reviewed by the parent company's management and are agreed with the chief executive of the relevant operating company.

The Group operates a rigorous procedure for the development of operating company budgets which build up the Group's budget. During the final quarter of each financial year, operating companies prepare detailed budgets for the following year for review by the parent company. The Group's budget is reviewed by the Board before being adopted formally. Operating company results are reported monthly and are reviewed locally, regionally and globally by the business groups and by Group management on a consolidated basis and ultimately by the Board. The results are compared to budget and the previous year, with full-year forecasts prepared and updated quarterly throughout the year. The Company reports to share owners four times a year.

At each year-end, all operating companies supply their full-year financial results with such additional information as is appropriate. This information is consolidated to allow the Group to present the necessary disclosures for International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Disclosure Committee gives further assurance that publicly-released information is free from material omission or misstatement.

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 123.

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 non-executive chairman is available to meet 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 2014, the chairman and senior independent director held extensive rounds of discussions with share owners and advisory groups regarding senior executive compensation, and CEO, chairman 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 2015 AGM will be held on Tuesday 9 June 2015 at 12 noon at 8 Northumberland Avenue, London WC2N 5BY. 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.

Managing our risks

Principal risks and uncertainties

The Board has considered the principal risks and uncertainties affecting the Group as at 31 December 2014 and up to the date of this report. Some of these risks relate to general economic and financial conditions, while others are more specific to the Group and the industry in which we operate and the strategic decisions taken by the Board. These are described below. The Group has specific policies in place to ensure that risks are properly evaluated and managed at the appropriate level within the Group.

Issue	Potential impact	How it is managed
Clients		
The Group competes for clients in a highly-competitive industry and client loss may have a material adverse effect on the Group's market share and its business, revenues, results of operations, financial condition or prospects.	Competitors include large multinational advertising and marketing communication companies and regional and national marketing services companies, database marketing and modelling companies, telemarketers, information and measurement, social media and consulting internet companies. Service agreements with clients are generally terminable by the client on 90 days' notice and many clients put their advertising and communications business up for competitive review from time to time. The ability to attract new clients and to retain or increase the amount of work from existing clients may also in some cases be limited by clients' policies on conflicts of interest.	Operating companies seek to establish reputations in the industry that attract and retain clients, including by improving the quality of their creative output. The Group's different agency networks limit potential conflicts of interest and the Group's cross-discipline team approach seeks to retain clients. Brand Check at every Board meeting.
The Group receives a significant portion of its revenues from a limited number of large clients and the net loss of some of these clients could have a material adverse effect on the Group's prospects, business, financial condition and results of operations.	A relatively small number of clients contribute a significant percentage of the Group's consolidated revenues. The Group's 10 largest clients accounted for 16.6% of revenues in the year ended 31 December 2014. Clients generally are able to reduce advertising and marketing spend or cancel projects on short notice. The loss of one or more of the Group's largest clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect the Group's financial condition.	Global client account managers seek to ensure the Group maintains partnership relationship with major clients. Operating companies seek to establish reputations in the industry that attract and retain clients and key talent. Brand Check at every Board meeting and regular dialogue between directors of the Company and directors of the Group's largest clients.

Issue	Potential impact	How it is managed
Data Security		
The Group is subject to strict data protection and privacy legislation in the jurisdictions in which it operates and relies extensively on information technology systems. The Group stores, transmits and relies on critical and sensitive data such as strategic plans, personally identifiable information and trade secrets. Security of this type of data is exposed to escalating external threats that are increasing in sophistication as well as internal data breaches. Existing and proposed data protection laws, in particular in the EU and the US, concerning user privacy, use of personal information and online tracking may restrict some of the Group's activities and increase costs. The Group is carrying out an IT transformation project and will rely on third parties for the performance of a significant portion of its worldwide information technology and operations functions. A failure to provide these functions could have an adverse effect on our business.	The Group may be subject to investigative or enforcement action or legal claims or incur fines, damages, or costs if the Group fails to adequately protect data or observe privacy legislation in every instance. A system breakdown or intrusion could have a material adverse effect on the Group's business, revenues, results of operations, financial condition or prospects.	The Group assists the operating companies in developing principles on privacy and data protection and compliance with local laws. Nominated senior executives provide leadership on privacy and data protection. WPP Data Code of Conduct and WPP policies on data privacy and security. WPP Data Health Checker survey performed annually to understand the scale and breadth of data collected by WPP agencies, so level of risk associated with this can be assessed. The IT transformation project will enhance the Group's data security. In addition, the Group has established a global internal IT company responsible for providing core IT shared services to all Group companies and manage external technology providers.
Economic		
The Group's businesses are subject to economic cycles. Many of the economies in which the Group operates currently have significant economic challenges.	Reduction in client spending or postponing spending on the services offered by the Group or switching of client expenditure to non-traditional media and renegotiation of contract and payment terms can lead to reduced profitability and cash flow.	Management of headcount and overheads. Ensuring that variable staff costs are a significant proportion of total staff costs and revenue. Increased controls over capital expenditure and working capital. Strategic focus on BRICs, the Next 11, MINT, new media and Data Investment Management. Diversification by geographic and product markets. Consideration of the impact on the Group if certain countries left the Euro, or in the event the Euro was devalued. Brand Check at every Board meeting.

Issue	Potential impact	How it is managed
Financial		
Currency exchange rate fluctuations could adversely impact the Group's consolidated results.	The Company's reporting currency is pounds sterling. Given the Group's significant international operations, fluctuations in currency exchange rates can affect the Group's consolidated results.	The Group hedges the currency element of its net assets using foreign currency borrowings, cross-currency swaps and forward foreign exchange contracts. The balance sheet and cash flows of the Company are hedged by borrowing in the currency of those cash flows. The Company publishes and explains its results in constant currency terms, as well as in sterling and on an actual dollar basis. The Group's treasury position is a recurring agenda item for the Audit Committee.
The interest rates and fees payable by the Group in respect of certain of its borrowings are, in part, influenced by the credit ratings issued by the international debt rating agencies.	The Company's long-term debt is currently rated Baa2 by Moody's and BBB by Standard and Poor's and the Company's short-term debt obligations P2 and A2 respectively. If the Company's financial performance and outlook materially deteriorate, a ratings downgrade could occur and the interest rates and fees payable on certain of the Company's revolving credit facilities and certain of the Group's bonds could be increased.	Active dialogue with the rating agencies to ensure they are fully apprised of any actions that may affect the Company's debt ratings. The Company also seeks to manage its financial ratios and to pursue policies so as to maintain its investment grade ratings. The Group's treasury position is a recurring agenda item for the Audit Committee.
The Group is subject to credit risk through the default of a client or other counterparty.	The Group is generally paid in arrears for its services. Invoices are typically payable within 30 to 60 days. The Group commits to media and production purchases on behalf of some of its clients as principal or agent depending on the client and market circumstances. If a client is unable to pay sums due, media and production companies may look to the Group to pay such amounts to which it committed as an agent on behalf of those clients.	Evaluating and monitoring clients' ongoing creditworthiness and in some cases requiring credit insurance or payments in advance. The Group's treasury position is a recurring agenda item for the Audit Committee.

Issue	Potential impact	How it is managed
Mergers & Acquisitions		
The Group may be unsuccessful in evaluating material risks involved in completed and future acquisitions and may be unsuccessful in integrating any acquired operations with its existing businesses.	The Group regularly reviews potential acquisitions of businesses that are complementary to its operations and clients' needs. If material risks are not identified prior to acquisition or the Group experiences difficulties in integrating an acquired business, it may not realise the expected benefits from such an acquisition and the Group's financial condition could be adversely affected.	Business, legal, tax and financial due diligence carried out prior to acquisition to seek to identify and evaluate material risks and plan the integration process. Warranties and indemnities included in purchase agreements. Audit Committee oversight of acquisition and Board oversight of material acquisitions and review of the integration and performance of recent and prior acquisitions.
Goodwill and other intangible assets recorded on the Group's balance sheet with respect to acquired companies may become impaired.	The Group has a significant amount of goodwill and other intangible assets recorded on its balance sheet with respect to acquired companies. The Group annually tests the carrying value of goodwill and other intangibles for impairment. The estimates and assumptions about results of operations and cash flows made in connection with impairment testing could differ from future results of operations and cash flows. Future events could cause the Group to conclude that the asset values associated with a given operation have become impaired, which could have a material impact on the Group's financial condition.	Regular impairment testing, which is a recurring agenda item for the Audit Committee.
Operational		
The Group operates on a largely decentralised basis with approximately 16 operating entities in 111 countries and is exposed to the risks of doing business globally and of maintaining reliable and uniform control procedures.	The Group's global operations are subject to the following risk factors: (i) restrictions and/or changes in taxation on repatriation of earnings; (ii) economic, social or political instability within different countries, regions and markets; (iii) changes in foreign laws and regulatory requirements, such as those on foreign ownership of assets or data usage or business models; and (iv) uncertainty or potential ineffectiveness or lack of enforcement in relation to the Group's client service agreements or other contractual rights.	Affiliate, associate and joint venture structures with local partners used in developing markets. Brand Check at every Board meeting. Uniform approach to internal controls to seek to ensure best practice employed in all jurisdictions.

Issue	Potential impact	How it is managed
People		
The Group's performance could be adversely affected if it were unable to attract and retain key talent or had inadequate talent management and succession planning for key management roles.	The Group is highly dependent on the talent, creative abilities and technical skills of our personnel as well as their relationships with clients. The Group is vulnerable to the loss of personnel to competitors and clients leading to disruption to the business.	The Group's incentive plans are structured to provide retention value, for example by paying part of annual incentives in shares that vest two years after grant. Operating companies seek to establish reputations in the industry that attract and retain key personnel, including by improving the quality of their creative output and by offering competitive performance-based compensation. Succession planning of key executives is a recurring agenda item of the Board and Nomination and Governance Committee. Compensation Committee oversight for the Group's incentive plans and compensation.
Regulatory/Legal		
The Group may be subject to regulations restricting its activities or effecting changes in taxation.	Governments, government agencies and industry self-regulatory bodies from time to time adopt statutes and regulations that directly or indirectly affect the form, content and scheduling of advertising, public relations and public affairs and market research or otherwise limit the scope of the activities of the Group and its clients which could have a material adverse impact on our financial position. Changes in tax laws and international tax treaties or their application may also adversely affect the Group's reported results.	The Group actively monitors any proposed regulatory or statutory changes and consults with government agencies and regulatory bodies where possible on such proposed changes. Regular briefings to the Audit Committee of significant regulatory or statutory changes. Group representation on a number of industry advisory bodies.
The Group is subject to strict anti-corruption, anti-bribery and anti-trust legislation and enforcement in the countries in which it operates.	The Group operates in a number of markets where the corruption risk has been identified as high by groups such as Transparency International. Failure to comply or to create a corporate environment opposed to corruption or failing to instill business practices that prevent corruption could expose the Group and senior officers to civil and criminal sanctions.	Online and in-country ethics, anti-bribery, corruption and anti-trust training on a Group-wide basis to raise awareness and seek compliance with the WPP Code of Conduct. Confidential helpline for WPP staff to raise any concerns, which are investigated and reported to the Audit Committee on a regular basis. Due diligence on acquisitions and on selecting and appointing suppliers. Gift and hospitality register and approvals process.
The Group is subject to the laws of the US, the EU and other jurisdictions that impose sanctions and regulate the supply of services to certain countries.	Failure to comply with these laws could expose the Group to civil and criminal penalties including fines and the imposition of economic sanctions against the Group and reputational damage which could materially impact the Group's results.	Online training on a Group-wide basis to raise awareness and seek compliance and updates to Group companies on any new sanctions. Regular briefings to the Audit Committee.

Other statutory information

Substantial share ownership

As at 20 April 2015, the Company is aware of the following interests of 3% or more in the issued ordinary share capital:

MFS	6.55%
BlackRock Inc	4.9%

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 £1,451.9 million (2013: £1,295.8 million). The directors declared a final dividend of 26.58p (2013: 23.65p) per share to be paid on 6 July 2015 to share owners on the register at 5 June 2015 which, together with the interim ordinary dividend of 11.62p (2013: 10.56p) per share paid on 10 November 2014, makes a total of 38.20p for the year (2013: 34.21p).

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 2019, 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 25 June 2014, share owners passed resolutions authorising the Company, in accordance with its Articles of Association, to allot shares up to a maximum nominal amount of £45,069,659 of which £6,744,536 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 221 to 223.

Authority for purchase of own shares

At the AGM on 25 June 2014, share owners passed a special resolution authorising the Company, in accordance with its Articles of Association, to purchase up to 133,507,758 of its own shares in the market. In the year under review, 41,036,654 ordinary shares of 10 pence each were purchased at an average price of £12.45 per share.

Auditors

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

Going concern

The directors are required to consider whether it is appropriate to prepare the financial statements on the basis that the Company and the Group are going concerns.
As part of its normal business practice, the Group prepares

annual and longer-term plans and in reviewing this information and in particular the three-year plan and budget, the directors believe that the Company and the Group have adequate resources for the foreseeable future. Therefore the Company and the Group continue to adopt the going concern basis in preparing the financial statements.

Further details of the Group's financial position and borrowing facilities are described in note 10 of the financial statements.

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 120.

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 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 157, 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
20 April 2015