



UK Tax Strategy

This tax strategy applies to all taxes applicable to the WPP Group and the document will be reviewed annually, updated as appropriate and approved by the Chief Financial Officer (CFO) and the Audit Committee. WPP Tax are accountable to the CFO and the Audit Committee for the implementation of the tax strategy and the management of tax and related risk. This tax strategy applies to all WPP group companies and to our dealings with our clients.

Governance

Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately sits with the Chief Financial Officer (CFO). Day-to-day responsibility for each of these areas sits with the Group Tax Director, who reports to the CFO.

The Audit Committee review the Group's tax strategy annually. It is supported by a tax risk management strategy, which aligns our monitoring and reporting of tax risks and controls with our policies for other risks and controls. Key risks and issues related to tax are escalated to and considered by the CFO throughout the year, and the Audit Committee (and if appropriate the full Board) on at least an annual basis.

Management of tax risk

As a large multi-national group with operations globally, the Group is exposed to a variety of tax risks. These can be grouped under the following headings:

1. Tax compliance and reporting risks, which cover risks associated with compliance failures such as submission of late or inaccurate returns, the failure to submit claims and elections on time or where finance or operational systems and processes are not sufficiently robust to support tax compliance and reporting requirements.
2. Transactional risks, which arise where transactions are carried out or actions are taken without appropriate consideration of the potential tax consequences or where advice taken is not correctly implemented.
3. Reputational risks, which looks beyond financial risks to the wider impact tax risk may have on our relationships with our stakeholders, including shareholders, clients, tax authorities and the general public.

WPP Tax is made up of a team of tax professionals based predominantly in London and New York. In addition to an oversight role, they provide advice on tax-related issues, undertake or assist with tax filings, manage relationships with tax authorities and assist with various forms of tax and financial reporting.

Where appropriate, we look to engage with tax authorities to disclose and resolve issues, risks and uncertain tax positions. The subjective nature of many tax rules does however mean that it is often impossible to mitigate all known tax risk. Indeed, in certain situations, an element of tax risk may be maintained, where we believe our

approach is consistent with the principles set out in our tax strategy and where the range of potential outcomes is in accordance with our risk parameters. Thus, at any given time, the Group may be exposed to some risk arising from its tax affairs, although one of the key responsibilities of WPP Tax is to manage and mitigate tax risk wherever possible.

Tax compliance and relationship with tax authorities

We seek to comply with our tax filing, tax reporting and tax payment obligations globally.

We look to maintain open and transparent relationships with the tax authorities in the jurisdictions in which we operate. This may take the form of discussing key developments in our business and the potential impacts of those developments. Equally, it may involve disclosing and seeking to resolve a known issue prior to the filing of the relevant tax return.

From time to time, our views (and those of our advisors) on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, we will work constructively and proactively with the tax authorities in question with a view to achieving an early resolution to any matters arising.

Tax planning

We will not engage in purely artificial transactions the sole purpose of which is to reduce tax. However, we will consider undertaking a transaction in a way that gives rise to tax efficiencies providing this is aligned to our commercial objectives and complies with the associated tax legislation. We will not transact in this way if the underlying commercial objectives do not support the position, or if the arrangements impact upon our reputation, brand, corporate and social responsibilities, or future working relationships with tax authorities.

We recognise that we have a responsibility to pay an appropriate amount of tax in each of the key jurisdictions in which we operate. We also have a responsibility to our shareholders to structure our affairs in an efficient manner. Accordingly, we may utilise tax incentives or opportunities to transact efficiently from a tax perspective where these:

- are not considered to carry significant reputational risk or significant risk of damaging our relationship with the tax authorities in the jurisdictions in which we operate,
- are aligned with the intended policy objectives of the governments which introduced the incentives, and
- are aligned with our business or operational objectives.

External advice may be sought in relation to tax planning or areas of complexity or uncertainty to support our work in complying with our tax strategy. We will not promote or work with advisors to support tax planning unless the arrangements are consistent with our tax strategy.

Level of risk in relation to UK taxation that the Group is prepared to accept

Our tax policy requires that, where tax law is unclear or subject to interpretation, our adopted tax position is that external advice has been provided and it is at least probable to apply.

Transparency

We support initiatives to improve international transparency on taxation matters, including OECD measures on country-by-country reporting and automatic exchange of information.

We do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person(s) acting on our behalf.

WPP plc regards the publication of this tax strategy as complying with the duty under Schedule 19 of the Finance Act 2016 to publish the group tax strategy for the current financial year ending 31 December 2018.