

**CORPORATE GOVERNANCE
STATEMENT 2019**



ASX Release
7 April 2020

Market Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

WPP AUNZ LIMITED – 2019 CORPORATE GOVERNANCE STATEMENT

Please find attached the 2019 Corporate Governance Statement and a copy of the 2019 Appendix 4G for WPP AUNZ Limited, pursuant to Listing Rules 4.7.3 and 4.7.4.

Yours faithfully

A handwritten signature in black ink, appearing to read 'L Gough', written over a thin horizontal line.

Linda Gough
Company Secretary

T +61 2 9290 7500 wppaunz.com
1 Kent Street, Millers Point NSW 2000
ABN 84 001 657 370

THE COMPANY'S APPROACH TO CORPORATE GOVERNANCE

The Board of WPP AUNZ Limited ("the Company") is responsible for the governance of the Company and its controlled entities ("the Group").

The Board and management recognise their duties and obligations to stakeholders to implement and maintain a robust system of corporate governance. The Company believes that the adoption of good corporate governance adds value for stakeholders and enhances investor confidence.

A description of the Group's main corporate governance practices are set out below.

All of these practices, unless otherwise stated, were in place for the 2019 reporting period. They comply with the Third Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, unless otherwise stated.

This statement is current as of 7 April 2020 and has been approved by the Board. The policies referred to are available on the Company's website www.wppaunz.com

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ROLES AND RESPONSIBILITIES

The Board is accountable to shareholders for the activities and performance of the Group by overseeing the development of sustainable shareholder value within an appropriate framework of risk and regard for all stakeholder interests. The Board provides leadership and strategic guidance and oversees management's implementation of the Group's strategic objectives. The Board has identified the key functions which it has reserved for itself. These duties include those outlined below:

- approval of business plans, budgets and financial policies;
- consideration of management recommendations on strategic business matters;
- establishment, promotion and maintenance of proper processes and controls to maintain the integrity of accounting and financial records and reporting;
- fair and responsible reward of executives, having regard to the interests of shareholders, the performance of executives, market conditions and the Company's performance;
- adoption and oversight of the establishment, promotion and maintenance of effective risk management policies and processes;
- adoption of the Company's Market Disclosure Policy and Share Trading Policy and monitoring compliance with these policies;
- monitoring the effectiveness of the Company's governance practices;
- determination and adoption of the Company's dividend policy;
- review of the Board's composition and performance;
- appointment, evaluation and remuneration of the Chief Executive Officer, Chief Financial Officer, Company Secretary and other key executives; and
- determination of the extent of the Chief Executive Officer's delegated authority.

Full details of the roles and responsibilities of the Board and the matters expressly reserved to the Board are set out in the Board Charter, a copy of which is available on the Company's website. Each Director operates under a letter of appointment setting out the Company's expectations, and the Director's responsibilities, rights and the terms and conditions of employment.

The Board has established Committees to assist in carrying out its responsibilities and consider certain issues and functions in detail. The Board Committees are discussed in Principle 2.

REVIEW OF BOARD PERFORMANCE

The Board undertakes an annual self-assessment of the performance of the whole Board and Board Committees. The results are discussed by the whole Board, where initiatives to improve or enhance Board performance and effectiveness are considered and recommended. The Chairman assesses the performance of other individual Directors and provides feedback to them. The Chairman's own performance is assessed by the Chair of the People and Culture Committee.

A performance review of the Board, Board Committees and individual Directors including the Chairman was undertaken in December 2019.

MANAGEMENT RESPONSIBILITY

In October, 2019 Jens Monsees commenced as CEO and Managing Director. John Steedman was the Company's Interim Chief Executive Officer during the reporting period until Mr Monsees' commencement.

During the 2019 reporting period the Board reviewed and updated its Delegation of Authority to reflect the changing governance needs of the Company. This Delegation of Authority, along with the Board and Committee Charters, and Board-approved Company policies, define the responsibilities for day-to-day operations delegated to management, and those requiring Board approval.

The Board has delegated to the Chief Executive Officer the authority and powers necessary to implement the strategies approved by the Board and to manage the business affairs of the Company within the policies and specific delegation limits specified by the Board.

The Chief Executive Officer may make further delegation within the delegations specified by the Board and is accountable to the Board for the exercise of these delegated powers.

EXECUTIVE PERFORMANCE REVIEW

The Company's incentive plans are designed to align the interests of executives with that of our shareholders and promote collaborations by encouraging executives to work in partnership across the Group. During 2019 the Company operated four incentive programs:

- Long-Term incentive plan (LTIP) in which the Interim Chief Executive Officer and the executive leadership team participated. The LTIP performance conditions required growth in both net sales and earnings per share.
- Short-Term incentive plan (STIP) in which the Interim Chief Executive Officer and key executives across the Group participated. STIP performance conditions for the senior leaders included both financial measures and individual strategic objectives. STIP financial performance conditions for executives within Group businesses were set to include both the performance of the Company and that of the executive's particular business.
- Leaders program – which consists of restricted stock grants for senior leaders to foster talent within the Company. Participants in the LTIP were excluded from the Leaders Program.
- Share Ownership Plan (SOP) – which consists of annual grants to all permanent employees of wholly owned WPP AUNZ companies, including eligible Senior Executives, to foster talent engagement within the wider Group, create a culture of ownership and to adopt behaviours that create value over the long term. Participants in the Leaders Program were excluded from the SOP.

The performance of all executives, including the Chief Executive Officer, is reviewed annually. An evaluation of the performance of the Chief Executive Officer, including setting the Chief Executive Officer's goals for the coming year is facilitated by the Chairman. The performance conditions for the LTIP and STIP are reviewed each year by the People & Culture Committee and set by the Board. The Board has general oversight of the review of the performance of the Chief Executive Officer and of the LTIP and STIP. The Chief Executive Officer is responsible for setting performance objectives and reviewing the performance of his direct reports in line with the conditions of the LTIP and STIP.

During the reporting period, a performance evaluation for executives, including the Interim Chief Executive Officer and the Chief Executive Officer, took place in accordance with this process.

Further information on performance evaluation and remuneration of the Chief Executive Officer and key management personnel is set out in the Remuneration Report contained within the 2019 Annual Report.

DIVERSITY POLICY AND OBJECTIVES

WPP AUNZ remains fully committed to recognising and supporting diversity, in all its forms, and continues to invest heavily in its people by encouraging and enabling them to fully contribute towards their own success and the group's success.

The Company's commitment to creating an inclusive workplace saw the launch of the Inclusion & Diversity Council in 2019, chaired by John Steedman. In its first year, the Council identified five key pillars that will enable the Company's workforce to thrive. These include initiatives in flexibility practices and policies, building strong connections and access to talent in the Company, fostering a mentally healthy workplace, embedding inclusive recruitment practices, and developing respectful relationships and creating meaningful opportunities with Aboriginal and Torres Strait Islander peoples.

The Company's 2019 Diversity initiatives included:

- WPP AUNZ's renewed membership with Diversity Council of Australia and Diversity Works New Zealand.
- Launching the WPP AUNZ paid parental leave benefit on 1 January 2019.
- Setting a target of 50:50 gender distribution in senior roles within the Company by 2021.
- The participation of 300 mid-senior women in the Company's globally recognised Walk the Talk program, addressing gender imbalance at senior levels within the Company.
- Internships offered to Aboriginal and Torres Strait Islander peoples through CareerTrackers and humanitarian entrants through CareerSeekers.
- The completion of Unconscious Bias Training by over 200 staff members across the Company.
- Lead sponsorship of B&T's Changing the Ratio conference, hosting a panel discussion: "Using courage for change – LGBTQI perspective on changing the ratio".
- The launch of a Mental Health First Aid course for the Company with 40 people due to complete their certification in 2020.

WORKPLACE GENDER EQUALITY

The People and Culture Committee is responsible for the regular review of and reporting on the relative proportion of women employed at all levels of the Group.

Under the Workplace Gender Equality Act 2012, Group companies submitted 22 WGEA reports in 2019 to allow the Company's businesses to record their policies, promotions and reporting level to the CEO level. The figures below are a consolidation of those reports. As at 31 December 2019, the Board of the Company comprised 25% female Directors.

31 December 2018

Level	Male	Female
Board	78%	22%
CEO	82%	18%
Senior Management	53%	47%
Management	44%	56%
Non-management	42%	58%

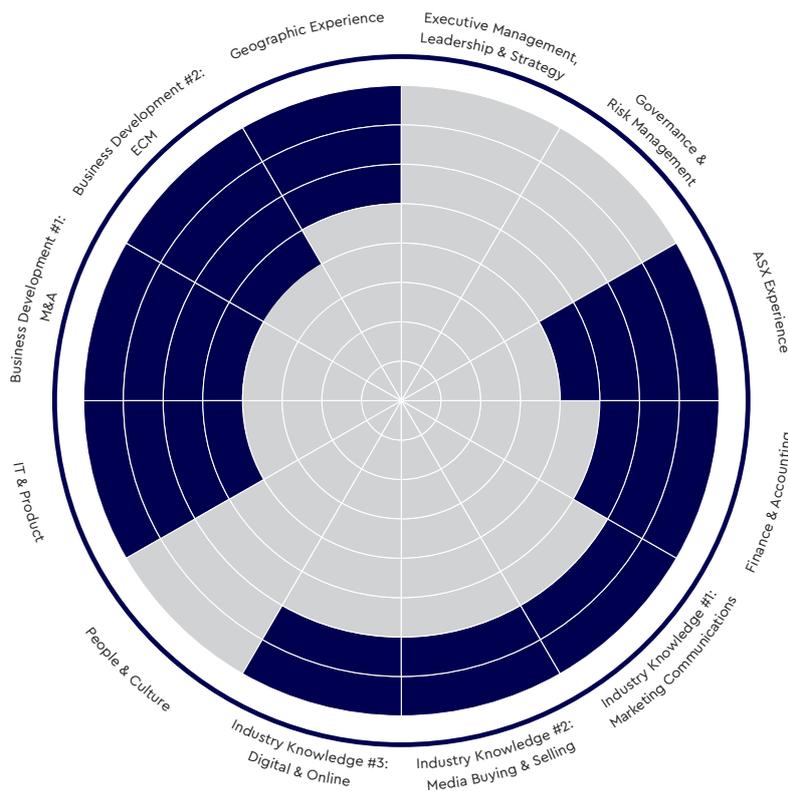
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

MEMBERSHIP OF THE BOARD

The Board comprises Directors who possess an appropriate range of skills, experience and expertise to:

- have a proper understanding of, and competence to deal with, the current and emerging issues of the business;
- exercise independent judgment;
- encourage enhanced performance of the Company; and
- effectively review and challenge the performance of management.

Directors' profiles with details of Directors' skills, experience and special expertise are contained within the 2019 Annual Report and also on the Company's website. The Board has developed a skills matrix that it uses internally to (i) measure its composition and (ii) determine succession. The matrix currently covers a broad range of skills and is set out below:



The grey shading on the chart indicates WPP AUNZ Board skill mapping.

EXECUTIVE MANAGEMENT, LEADERSHIP & STRATEGY

Executive experience to be able to properly evaluate the performance of the CEO and senior executives and to oversee strategic development and execution.

GOVERNANCE & RISK MANAGEMENT

Sufficient experience to identify, assess and monitor key risks in the Company on a wide range of areas.

ASX EXPERIENCE

Board or senior executive ASX listed experience across a broad range of industries, providing a familiarity with ASX rules including the requirement for continuous disclosure. Experience in assessing legal advice, with the ability to contribute to the assessment of the legal risk profile of the Company.

FINANCE & ACCOUNTING

Qualification or extensive experience in accounting and / or finance and the ability to analyse and critically assess financial statements, viability and performance; contribute to strategic financial planning; and oversee budgets and funding arrangements.

INDUSTRY KNOWLEDGE #1: MARKETING COMMUNICATIONS

Knowledge and experience in the strategic use of marketing. Senior leadership roles as a CMO, PR, communications specialist, or other marketing leadership roles.

INDUSTRY KNOWLEDGE #2: MEDIA BUYING & SELLING

Knowledge and experience in the buying and selling of media. Senior leadership roles in the media industry, and experience with trading desks and other digital based performance marketing platforms and services.

INDUSTRY KNOWLEDGE #3: DIGITAL & ONLINE

Knowledge, experience and understanding of online marketplaces and digital businesses, with a keen understanding of current trends in data mining and research and the ability to discuss and analyse upcoming digital developments.

PEOPLE & CULTURE

Experience in managing people, including the ability to evaluate the CEO and senior executive performance, oversee strategic human resource management and initiatives, workplace culture and the promotion of diversity and inclusion.

IT & PRODUCT

Knowledge and experience in the strategic use of information technology and design of product, particularly in relation to online businesses. Knowledge and awareness of data risk and cyber security.

BUSINESS DEVELOPMENT #1: M&A

Knowledge and experience in identifying and assessing business development opportunities, in particular, experience in negotiating, assessing commercial terms and completing mergers and acquisitions.

BUSINESS DEVELOPMENT #2: ECM

Experience in the primary and secondary equity market, in particular, experience in structuring a variety of deals and arrangements that are equity linked or equity derived including private placements, initial public offerings, spin offs and any arrangements dealing with future, options, swaps and related derivatives.

GEOGRAPHIC EXPERIENCE

An understanding of the Australian and New Zealand marketing and communications landscape, including key competitors and market dynamics.

The Directors determine the Board's size and composition, within the limits set by the Company's Constitution, which requires the Board to comprise between three and eleven Directors. The table below summarises the current composition of the Board.

The Board has a majority of WPP plc designee Directors, pursuant to the Governance Deed Poll approved by shareholders at the Extraordinary General Meeting held on 4 April 2016 and consistent with WPP plc's 61.5% holding in the Company (via Cavendish Square Holdings BV).

Name	Position	Independent	Reason for non-independence	First appointed	Length of service
Robert Mactier	Non-executive Chairman	Yes	–	11.12.2006	13 years
Jens Monsees	Chief Executive Officer and Managing Director	No	Chief Executive Officer	15.10.2019	.25 years
John Steedman	Executive Director – Chairman Media Investment Management & Chief Executive Officer	No	Associated directly with majority shareholder WPP plc and an Executive Director	08.04.2016	3.5 years
Paul Richardson	Non-executive Director	No	Associated directly with majority shareholder–WPP plc	28.10.1999	20 years
Geoffrey Wild AM	Non-executive Director	No	Associated directly with majority shareholder–WPP plc	08.04.2016	3.5 years
Ranjana Singh	Non-executive Director	No	Associated directly with majority shareholder–WPP plc	08.04.2016	3.5 years
Graham Cubbin	Non-executive Director	Yes	–	20.05.2008	11.5 years
Kim Anderson	Non-executive Director	Yes	–	16.11.2010	9 years

DIRECTORS' INDEPENDENCE

All Directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgement.

The Board regularly considers and assesses the independence of each Director in light of the information that the Directors disclose in accordance with the Corporations Act 2001. Directors are required to advise the Company of any material personal interests they have in a matter. In assessing independence, the Board has regard to whether the Director has any of the following relationships with the Company or another Group company:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed, in an executive capacity by the Company or another Group company, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is a material supplier or customer of the Company or another Group company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
- has a material contractual relationship with the Company or a Group company other than as a Director of the Group.

ROLE OF THE CHAIRMAN

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the Company's executives. In accepting the position, the Chairman has acknowledged that it will require a significant time commitment and has confirmed that other positions will not hinder his effective performance in the role of Chairman.

The Chairman's role and responsibilities are separate from those of the Chief Executive Officer. The Chairman is the key link between the Chief Executive Officer and the other Directors and is responsible for effective collaboration between them.

MEETINGS OF THE BOARD

The Chief Executive Officer, in consultation with the Chairman, establishes the meeting agendas to ensure adequate coverage of strategic and financial and material risks throughout the year. The Chief Financial Officer is invited to attend all Board meetings. Other executives are invited to present on relevant matters. Non-executive Directors are available for contact between meetings when required.

Non-executive Directors hold a private session without any executive involvement as part of each Board meeting to discuss the operation of the Board and a range of other matters. Relevant matters arising from these meetings are shared with the full Board.

The Company Secretary is accountable to the Board, through the Chair, for all matters to do with the proper functioning of the Board. All Directors have unrestricted access to the advice and services of the Company Secretary.

BOARD COMMITTEES

To assist it in undertaking its duties, the Board has established the Audit and Risk Committee and the People and Culture Committee. Each Committee has a Board approved charter setting out its corporate governance roles and responsibilities, composition, structure, membership requirements and operation. The latest charter for each Committee is available on the Company's website.

The Audit and Risk Committee comprises:

- Graham Cubbin (Chair)
- Robert Mactier
- Geoffrey Wild AM

The People and Culture Committee comprises:

- Kim Anderson (Chair)
- Paul Richardson
- Graham Cubbin

NOMINATION AND APPOINTMENT OF DIRECTORS

While WPP plc voting power equals or exceeds 50%, WPP plc is entitled to designate a majority of the Directors. WPP plc must only select candidates who have the appropriate level of skill and experience to serve on the Board.

The Board's People and Culture Committee recommends new independent Directors and manages the process for identifying and appointing all Directors.

The Committee comprises three Directors, a majority of whom are independent and is chaired by an independent Director. Details of these Directors' attendance at People and Culture Committee meetings are set out in the Directors' Report contained within the 2019 Annual Report.

Recommendations for nominations of new independent Directors are made by the People and Culture Committee and considered by the Board as a whole. If a new Director is appointed during the year, that person will stand for election by shareholders at the next Annual General Meeting. WPP plc may remove a WPP plc designee at any time and nominate a replacement (who must be proposed as a candidate for election at the next Annual General Meeting of the Company).

Shareholders are provided with appropriate information to judge the adequacy of candidates.

The People and Culture Committee conducts periodic assessments of the Board's competencies to determine the appropriate composition of the Board and to consider the desirable depth and range of skills and diversity required for any new Board members.

The People and Culture Committee will draw on industry contacts and, where appropriate, will engage external consultants to assist with the identification and selection of a diverse range of candidates. The People and Culture Committee will also have regard to such criteria as independence, commercial capability, cultural fit and time availability to meet the commitment required.

In selecting candidates for appointment to the Board, both WPP plc and the People and Culture Committee have regard to the gender diversity of the Board and the recommendations set out in the ASX Corporate Governance Principles and Recommendations.

INDUCTION

All new Directors participate in an induction program which covers the operation of the Board and its Committees and financial, strategic, operational and risk management issues. The Board's induction information also includes detailed summaries of current Company policies, as well as materials which outline director and officer duties.

TERM OF OFFICE

An election of Directors is held at each Annual General Meeting.

Each Director (other than the Chief Executive Officer) is elected for a three-year term (unless otherwise required to be re-elected earlier due to the rotational policy contained in the Company's Constitution). This term is renewable for further periods of 3 years on the review and approval of the other Directors, and re-election by shareholders at an Annual General Meeting.

RETIREMENT AND RE-ELECTION OF DIRECTORS

The Company's Constitution provides for new Board-appointed Directors to stand for election by shareholders at the next Annual General Meeting. In addition, at each Annual General Meeting one-third of Directors, other than the Chief Executive Officer, will stand for re-election every year.

An election of Directors is held at each Annual General Meeting.

CONFLICTS OF INTEREST

In accordance with the Board Charter and the Corporations Act 2001, any Director with a material personal interest in a matter being discussed by the Board must declare such an interest.

Any Director who has an actual or perceived material conflict, or potential conflict, does not, at the discretion of the Board, receive any papers from the Company pertaining to the matter, or participate in any meeting to consider, or vote, on the matter giving rise to that conflict.

INDEPENDENT PROFESSIONAL ADVICE

Directors have a right of access to Company employees, advisors and records.

In carrying out their duties and responsibilities, Directors have access to advice and counsel from the Chairman and Company Secretary and are able to seek independent professional advice at the Company's expense, after consultation with the Chairman.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

CODES OF CONDUCT

The Company has developed and implemented policies governing Director and employee conduct that articulate the standards of honest, ethical and law-abiding behaviour expected by the Company. This includes a Code of Conduct which applies to all employees of the Group. The Code of Conduct includes an appendix for Directors and senior managers on disclosing and addressing conflicts of interest.

Employees are actively encouraged to bring any problems to the attention of management or the Board, including activities or behaviour which may not comply with the Code of Conduct, other policies in place, regulatory requirements or laws.

A copy of the Code of Conduct (including the appendix) is available on the Company's website. Senior management are required to certify their compliance with this Code of Conduct on an annual basis.

RELATED PARTY TRANSACTIONS

In accordance with the Majority Shareholder Deed approved by shareholders at the Extraordinary General Meeting held on 4 April 2016, in the event that a related party transaction arises with WPP plc or its associates that is:

- not at arm's length;
- involves financing;
- is a merger or acquisition; or
- requires a financial commitment of more than \$1 million, the independent Directors meet to consider, assess and, if appropriate, approve the transaction.

FAIR TRADING AND MODERN SLAVERY REPORTING

In 2019 WPP AUNZ commenced a work program to map out and better understand its supply chain. A working group was formed to facilitate this and initial efforts were undertaken to map its supply chain to Tier 3 suppliers. A risk assessment was completed against this supply chain to identify high risk suppliers. Along with this exercise, business operations have been mapped. This work has laid the groundwork for deeper due diligence into high risk suppliers as well as building the foundations for a supply chain risk management framework and training through the Group's businesses and operations. The Company will continue this work in preparation for the publication of its first Modern Slavery Statement in June 2021.

SHARE TRADING POLICY

The Company's Share Trading Policy concerning trading in Company securities allows Directors, key management personnel and designated employees to deal in WPP AUNZ securities, subject to obtaining clearance, during the one-month period beginning at the close of trading on the day after the date on which the Company:

- announces its half-yearly results to the ASX;
- announces its full-year results to the ASX;
- at other times as determined by the Board.

All Directors and employees are prohibited from trading in Company securities at any time if they possess price-sensitive information not available to the market and which could, reasonably, be expected to influence the market.

The Company's Share Trading Policy prohibits margin lending, hedging and short selling of the Company's shares by Directors, executives and others in certain circumstances.

The ASX, and all other Directors, are notified of any transactions by a Director in Company securities. Each Director has an agreement to provide information to enable notification to the ASX of any share transaction within the period required by the ASX Listing Rules.

The Share Trading Policy is available on the Company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

AUDIT AND RISK COMMITTEE

The Board has the responsibility to ensure truthful and factual presentation of the Company's financial position. The Board has established the Audit and Risk Committee to oversee the structure and management systems that ensure the integrity of the Company's financial reporting. The Committee is comprised of a majority of independent Directors, has three members and is chaired by an independent Director. The membership of the Committee is as follows:

- Graham Cubbin (Chair)
- Robert Mactier
- Geoffrey Wild AM

The Chairman of the Board cannot chair the Audit and Risk Committee. Committee members have financial expertise and understand the industries in which the Company operates.

The details of the Committee members' qualifications are set out in the 2019 Annual Report.

The Committee meets at least three times per year, and during 2019 met four times. An agenda is prepared, and papers circulated to Committee members, before each meeting. The Company's external auditor attends Committee meetings, with management attending at the Committee Chairman's invitation.

The main responsibilities of the Committee are to:

- oversee the financial reporting of the Company including assessing any significant estimates or judgements in the financial reports;
- review, assess and approve the half-year and full-year financial reports and all other financial information published by the Company or released to the market;
- oversee the internal audit function;
- review the independence of the external auditor, including the nature and level of non-audit services provided, and report on this issue to the full Board;

- recommend to the Board the appointment, removal and remuneration of the external auditor, review the terms of their engagement and the scope and quality of the audit and assess performance;
- report to the Board on matters relevant to the Committee's role and responsibilities;
- oversee the effective operation of the risk management framework and ensure that the risk management system takes into account all material risks;
- monitor exposure to social, ethical and environmental risks and ensure that processes are in place to manage any material risks in these areas;
- receive regular reports from management and the external auditor;
- review the processes the Chief Executive Officer and Chief Financial Officer have in place to support their certifications to the Board;
- review any significant disagreements between the auditor and management irrespective of whether they have been resolved;
- meet at least twice a year separately with the external auditor without executive Directors or management present; and
- provide the external auditor with a clear line of direct communication at any time to either the Chair of the Audit and Risk Committee or the Chairman of the Board.

The Audit and Risk Committee has authority, within the scope of its responsibilities, to seek any information it requires from any executive or external party.

The roles and responsibilities of the Audit and Risk Committee are further set out in the Audit and Risk Committee Charter, which is available on the Company's website.

ASSURANCE

In respect of the financial report for the year ended 31 December 2019, the Board has received formal assurance from the Chief Executive Officer and Chief Financial Officer that:

- the Group's financial reports present a true and fair view, in all material respects, of the Group's financial condition and performance; and
- the risk management and internal control systems are sound and operating effectively, in all material respects.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks.

INDEPENDENT EXTERNAL AUDITOR

The Company and Audit and Risk Committee policy is to appoint an external auditor who clearly demonstrates quality and independence.

The performance of the external auditor is reviewed annually. The Company's independent external auditor is Deloitte Touche Tohmatsu ("Deloitte").

The external auditor will be required to rotate the lead engagement partner assigned to the Company every five years.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and coordinating information disclosure to the ASX, the media and the public.

The Board has approved and implemented a Market Disclosure Protocol. The protocol is designed to ensure compliance with the Corporations Act 2001 and ASX Listing Rules. Management highlight any potential disclosure issues which are then reported to the Board for determination.

The Market Disclosure Protocol is available on the Company's website.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

SHAREHOLDER COMMUNICATION

The Company is committed to providing regular communication to shareholders and other investors so that they have all available information reasonably required to make informed assessments of the Company's strategy, operations and financial performance.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website.

The Company also publishes half-yearly and annual reports, announcements, media releases and other information on its website.

The Company's website contains all recent announcements, presentations, past and current reports to shareholders, notices of meeting and archived webcasts of general meetings and investor presentations.

Where practical, internet webcasting is provided for market briefings to encourage participation from all stakeholders regardless of their location.

The company reports to the Board on issues discussed at group or one-on-one briefings with investors and analysts, including a list of who was present and the time and place of meeting. Half-yearly and annual reports are provided to shareholders other than those who have requested not to receive a copy.

Shareholders may elect to receive all Company reports electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The management of risk is fundamental to the Company's business and building shareholder value. The Board recognises a broad range of risks which apply to the Company as a marketing communications group including, but not limited to strategic, operational, compliance, reputational, regulatory and financial risks.

The Board is responsible for determining the Group's risk management strategy. Management is responsible for implementing the Board's strategy and developing a risk management and internal control system to manage the Company's material business risks, including policies and procedures to identify, manage and mitigate risks across the whole of the Group's operations. The framework details the overarching risk management controls including:

- guidelines and limits for approval of all expenditure;
- a risk financing program, including risk transfer to external insurers and reinsurers;
- policies and procedures for the management of financial risk and treasury operations;
- annual budgeting, quarterly re-forecasting and monthly reporting systems for all businesses;
- guidelines, policies, and training over privacy and related data protection;
- appropriate due diligence procedures for acquisitions and divestments; and
- crisis management systems and business continuity plans for all key businesses in the Group.

The Board has established the Audit and Risk Committee to oversee the Company's risk management. The Audit and Risk Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound. The Committee is comprised of a majority of independent Directors, has three members and is chaired by an independent Director. The membership of the Committee is as follows:

- Graham Cubbin (Chair)
- Robert Mactier
- Geoffrey Wild AM

The Group uses a number of lines of defence in relation to risk management:

- each business within the Group undertakes monthly and quarterly procedures as well as day-to-day management activities to review their operations and business risks;
- Group businesses are supported by Group policies, training and guidance on required internal controls over financial reporting. Each of the Company's businesses are subject to monthly and quarterly monitoring and review controls performed by the WPP AUNZ Group Finance team;
- the operational reviews are formally communicated to the Chief Executive Officer and Chief Financial Officer in monthly management reports and quarterly reviews and in turn to the Board;
- internal audits are undertaken by WPP plc Internal Audit for each business on a rotational basis. The Company's external auditor provides an annual independent review of risk management and internal controls. Internal and external audit results are presented to the Audit and Risk Committee.

CONTROL ENVIRONMENT AND MONITORING

All employees are required on joining the Group, and at regular intervals, to complete the WPP plc How We Behave, Anti-Bribery and Corruption, Preventing Global Tax Evasion and Privacy & Data Security Awareness training modules, which embed all of the principles of the Code of Conduct.

Policies and procedures for all businesses within the Group are set out and communicated in the Company's policy handbook and accounting guidelines. The application of these policies and procedures is monitored within the individual businesses and by the Head of Risk and Compliance. All businesses within WPP AUNZ 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 IT and financial controls and controls over security of data and the provision of timely and reliable information to management.

WHISTLEBLOWING AND RIGHT TO SPEAK

The WPP AUNZ Board believes that maintaining an open and transparent culture is critically important for sound governance. In July 2019, the Company rolled out a comprehensive Whistleblowing Policy and training across the Group. In addition, for the entire reporting period, the Group operated an independent helpline, Right to Speak, to enable our people to report issues they feel they are unable to raise directly to management, anonymously if necessary.

WPP AUNZ GOVERNANCE COMMITTEE

In May 2019, WPP AUNZ introduced Governance Committees in each of its businesses to monitor controls and risks. These Governance Committees ladder up to the WPP AUNZ Governance Committee which meets quarterly to discuss incidences, risk monitoring and new and emerging risks within the business and the external environment. The members of the WPP AUNZ Governance Committee include the Chief Executive Officer, the Chief Financial Officer, the Chief Technology Officer, The Chief Talent and Human Resources Officer, the General Counsel and the Head of Risk and Compliance. The WPP AUNZ Governance Committee reports to the Audit and Risk Committee of the Board.

CORPORATE REPORTING

When presenting financial statements for Board approval, the Chief Executive Officer and Chief Financial Officer provide a formal statement indicating that:

- the financial statements present a true and fair view, in all material respects of the Group's financial condition and operational results, and are in accordance with the relevant accounting standards; and
- the risk management and internal control systems are sound and operating effectively in all material respects.

This assurance forms part of the process by which the Board determines the effectiveness of its risk management and internal control systems in relation to financial reporting risks. During the reporting period, the Board has received a statement in the above form from the Chief Executive Officer and the Chief Financial Officer.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY

The Company actively manages social, ethical and environmental risks to help the Company achieve its business goals and to reinforce the importance of sustainability with clients, employees, regulators and investors. The Group participates in the WPP plc sustainability audit program.

The Company is also a key supporter of R U OK?, a health promotion charity which aims to reduce suicide rates and to foster a sense of belonging by connecting regularly with others.

Like many companies WPP AUNZ is exposed to environmental risks which can effect the business cycle, alter employee participation, and impact facilities. WPP AUNZ does not consider that the impact of these environmental risks is more significant for its business, than that for other similar companies.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Board has established the Remuneration and Nominations Committee which was named the People and Culture Committee in the latter part of 2019. The Committee is comprised of a majority of independent Directors, has three members and is chaired by an independent Director. The membership of the Committee is as follows:

- Kim Anderson (Chair)
- Paul Richardson
- Graham Cubbin

The People and Culture Committee's Charter is available on the Company's website, and further information is provided in the Remuneration Report included in the 2019 Annual Report.

As well as advising the Board on remuneration and incentive policies and practices generally, and making specific recommendations on remuneration packages and other terms of employment for executive Directors, senior executives and Non-executive Directors, the Committee is responsible for governance over management's development of the Company's talent.

The remuneration of Non-executive Directors is structured separately from that of the executive Directors and executives. Up to two WPP designee Directors are entitled to be paid directors' fees. No other WPP designee is entitled to be paid any directors' fees or other remuneration in respect of his or her appointment to the Board. In 2019 no WPP designee Directors were paid directors fees.

It is Company policy that participants in the Company's equity-based remuneration schemes are not permitted to hedge or otherwise limit the participant's economic risk of participating in the scheme.

Further information on the Group's remuneration policies and practices, along with remuneration details for the Group's key management personnel and Non-executive Directors, is contained in the Remuneration Report.

WPP AUNZ

1 Kent St
Millers Point
NSW 2000

+61 2 9290 7500

WPPAUNZ.COM