

WPP's Response to the Risk of Bribery

WPP does not tolerate bribery or corruption.

This document sets out WPP's view on the risk of bribery impacting the Group, the WPP response and resources to combat bribery, and actions required by networks and Opcos.

This version supersedes earlier versions.

The following sections are included:

1. Introduction
2. Overall risk of bribery to WPP
3. The laws that affect us
4. The ramifications of bribery
5. Measures to prevent bribery
6. Conclusion

Appendices

- A. WPP Risk Assessment
- B. Adviser payment policy
- C. Gifts and hospitality policy
- D. Code of conduct for suppliers
- E. Anti-Bribery Policy
- F. WPP policy for regional ABC requirement

WPP's Response to the Risk of Bribery

1. Introduction

WPP does not tolerate bribery or corruption.

Bribery is illegal.

What is a bribe?

A bribe is giving or promising or requesting or accepting or agreeing to accept a financial or other advantage ('something of value') to induce a person to perform improperly a function or activity. That function or activity can be of a public nature or connected with business or performed in the course of employment or on behalf of a business.

Bribes are a criminal offence under the UK Bribery Act – and the laws of many of the jurisdictions where the Group is present – and these laws apply to our businesses and people globally. UK and US regulators can and do prosecute acts of bribery and corruption that happen outside of these countries.

Individuals giving or taking bribes (or promising to do so) may face fines and prison and WPP may be barred from government work.

WPP must have procedures in place that can reasonably be expected to prevent bribery, whether in our subsidiaries, associates, affiliates or by any other party working on our behalf. This document sets out these procedures.

It is relevant to every single person working within the Group. It is not just directors and management. It is not just for the attention of the finance teams.

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2. Overall risk of bribery to WPP - Moderate

WPP companies frequently compete for new contracts via tender processes. Some of these involve significant potential billings and revenues. Some involve government organisations.

The Group has a moderate risk of bribery. This has been confirmed in discussions with representatives of the Big4 accounting firms.

In addition to consideration of WPP's industry sector, the Group's structure increases the risk. WPP operates in 110 countries with approximately 3,000 offices. Management is decentralised.

Transparency International publishes a well-respected annual list of approximately 180 countries rating their perceived propensity to corruption ("[Corruption Perception Index](#)").

By operating in over 110 countries, many of these inevitably are perceived to have a far higher risk of bribery and corruption than others. You should be aware of where your country ranks as well as the ranking of those countries where you do business. WPP opcos have policies and training designed to prevent bribery or corruption. Your trading partners may not and you should be aware of the heightened risk that this lack of policies creates.

Countries ranking well in the Transparency International list must not be complacent.

In summary, WPP has a moderate risk of bribery, with geography contributing significantly to higher individual operating company risk. WPP therefore needs to have significant measures in place to protect its business from bribery.

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3. The laws that affect us

UK Bribery Act

The UK Bribery Act is the most comprehensive law with an extensive jurisdictional reach.

- It relates to ALL bribes (giving, offering, promising, receiving), not just those to government officials.
- It contains not only offences relating to those involved in the bribe, but also a strict liability corporate offence of failing to prevent bribes.
- Bribery is a criminal offence and reaches beyond the UK.
- The breadth and depth of the scope of the Act is based on whether the party or person involved with a bribe is associated with us – or is carrying out a service on our behalf. As such, liability could extend beyond subsidiaries to JVs, associates and affiliates and brokers.
- Facilitation payments are prohibited.

The Foreign Corrupt Practices Act (FCPA)

The FCPA states that no money or thing of value be offered, paid, given or promised, directly or indirectly, to a government official to influence his or her actions in order to obtain or retain business or to secure improper advantage. Note that a bribe does not need to be cash – it could be a gift or entertaining or a car or holiday etc. It is a criminal offence just to promise a bribe – even if it is never paid. A payment or transfer of value to a third party who is himself or herself or corporately not a foreign government official on the understanding that the value will be transferred to a government official is also a criminal offence. A government official is widely defined and is set out in the Adviser Payment Policy (appendix C). It is not restricted to someone in the seat of national government, but includes members of nationalized institutions (which may include banks, telephony companies, railways, tourist authorities etc).

Other legislation

Most countries also have their own anti bribery and corruption laws. Opcos need to be aware of them.

In addition, there are other bodies such as the World Bank who enforce their own regulations (including contract terms where appropriate).

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4. The ramifications of bribery

There are serious implications both for WPP and individuals.

- Corporately, huge fines can be levied (10s or 100s of millions of dollars) and any profits obtained as a result of bribery have to be disgorged.
- Companies often have to incur high costs for lawyers and consultants.
- Less visible is the cost of putting in training and paying for external monitoring measures after the investigation. It is inevitable that these programmes will be more costly if introduced as a response to a problem as opposed to proactively.

Indirectly, there are other costs.

- Our reputation for sound ethics and corporate governance would be severely tarnished. That would likely impact our share (stock) price and our ability to pitch for, win new or retain existing clients.
- The actual process of an investigation could seriously impede the ability of that agency to continue its day-to-day operations properly.
- If the DoJ (for example) investigates one agency in a country, would it consider looking at other agencies in that country or other countries in that network? In other words, if one Opco were involved in a bribery case, there could be a negative impact on other Opcos and also the Group as a whole.
- WPP agencies could be banned from all work for the relevant authority – for example the EU or the UK government could ban us from all work for them for a period of time. The UK government is the UK's largest advertiser. The impact on our P&L and on jobs and the share price could be very significant.
- There are personal ramifications too. Loss of employment is one – but a jail sentence is another.

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5. Measures to prevent bribery

The only defence to the criminal offence of failing to prevent bribery under the UK Bribery Act is to ensure that the Group has adequate procedures in place to prevent bribery.

The guidance from the Ministry of Justice (MoJ) on what constitutes “adequate procedures” has six principles:

- Proportionate procedures
- Top level commitment
- Risk assessment
- Due diligence
- Communication (including training)
- Monitoring and review

A separate document will highlight more specific examples of steps that can be taken (and documented) as part of putting adequate procedures in place. It will recognise that different approaches are needed according to the risk factors relevant to any given opco.

The following are highlights of the steps in place for the 6 principles.

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Proportionate procedures

The WPP policy on bribery and corruption is a straightforward statement of WPP's zero tolerance of this illegal activity. It must be read by all staff. It is at Appendix F.

In addition, the Adviser Payment Policy (appendix B), the Gifts and Hospitality Policy (appendix C) and sections of the policy book exist to help staff. Use them.

Other policies exist to ensure proper bookkeeping.

Sanctions and disciplinary actions are taken where necessary.

Top level commitment

WPP has issued various bulletins, policies and actions in response to fraud that demonstrate WPP's zero tolerance from the top. This is set from the Board, but the high standards must be promulgated all the way through the business by all CEOs, COOs, CFOs, HR, Creative and Production Directors, etc. All business leaders must set the tone by their own conduct, by the behaviour they demand of their teams and by not turning a blind eye to issues in whatever country they are operating. They must encourage transparency and openness and make it easy for staff to raise matters of concern in confidence.

In addition, WPP's Code of Business Conduct specifically states that "We will not give, offer or accept bribes, whether in cash or otherwise, to or from any third party, including but not restricted to government officials, clients and brokers or their representatives. We will collectively ensure that all staff understand this policy through training, communication and by example".

You must ensure adherence to the Code by your staff – and collate and report any exceptions.

You must also use the annotated Code of Conduct in appendix E to have suppliers confirm their adherence to our ethics.

Risk Assessment

A WPP level risk assessment has been performed and is at appendix A.

Your networks and Opcos must recognise these risks in their day-to-day management and supplement the analysis wherever relevant. Make yourselves aware of local risks. Look at the Transparency International Corruption Perception Index to gauge your country's ranking. This organisation is a respected independent body. [Corruption Perception Index](#)

Opcos should incorporate their analysis into the annual risk map process on a specific and not just a general / generic basis.

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Due diligence

The Adviser Payment Policy covers all the main risks in respect of advisers and consultants – note that the definition of these terms is very broad in scope. It is available on the WPP intranet with the Adviser Information Form and Adviser Approval Form under “control bulletins” at inside.wpp.com. The policy is also attached at appendix C.

The forms and due diligence required are mandatory for all advisers (as defined in the policy). There is however a general prohibition on the use of advisors. Any exceptions must be approved by the WPP CEO or the WPP Group FD. Networks must monitor adherence to the policy.

Proportionate checks must also be performed on new suppliers and new staff hires as set out in the SOX templates and WPP Policy Book.

Due diligence on acquisitions is handled internally by a WPP team fully aware of the legislation and risks.

Communication and training

Everyone is responsible for implementing policy. From WPP, the WPP compliance officer, legal and internal audit, drives this.

It is not just a project for WPP. Networks must appoint named senior individuals as principal contacts and leaders in their regions and inform WPP of their names. This will ensure that policies and the tone from the top are properly communicated throughout the group. Right to Speak is available to allow reporting in confidence of matters of concern – and its existence must be well publicised to staff.

Training is a vital part of implementation.

On-line training (see inside.wpp.com/training) is available in multiple languages. However, remote training alone is not sufficient. Discussions and presentations, together with specific training and workshops, are supplementing the intranet training. The intranet will nevertheless assist us in maximising the reach of the policy.

All new joiners must complete the courses as part of their induction – within 2 weeks of joining.

This document should be read by, at a minimum, all management and those involved directly with client relationships or procurement.

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Monitoring

Regional offices are at the forefront of monitoring that all opcos truly understand the risks, the reasons for the policies, how to operate them and whether they actually operate them. Regional management must have a designated person responsible for the proactive monitoring of adviser activity and policy compliance; gifts and entertaining; risk registers; and training. The name and contact details of the nominated person must be sent to WPP. The "WPP policy for regional ABC requirements" in Appendix G sets out the mandatory policy requirements.

WPP will hold calls with each network to confirm the application of this policy and to discuss any issues arising.

Internal audit, external audit and the SOX teams (network or outsourced) are all fully aware of the legislation and the policies. Top level monitoring is included in SOX to ensure that everyone has and is using the Adviser Payment Policy for example. WPP and the networks monitor the completion rates of the online training.

More detailed review procedures are included in the internal audit work programme.

WPP also has a compliance function based in London, working with WPP legal and internal audit.

The audit committee receives full reporting of all audit and SOX activity.

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6. Conclusion

It is imperative that all staff have an anti-bribery and anti-corruption mindset.

- Refuse to engage in bribery or corrupt practices – they are illegal.
- Do the training.
- Use the policies.
- Report potential or actual incidents.
- Ask questions if in any doubt.

The Risk	Mitigating activity	Monitoring activity
<p>Payments to advisers</p> <p>WPP companies frequently participate in tenders/pitches for new contracts and/or clients. This is an acknowledged opportunity for the absence of proper process and hence for giving bribes.</p> <p>Bribes could be direct, in cash or by giving excessive entertaining and gifts.</p> <p>Alternatively (and a higher risk on the basis a direct cash payment should be obvious in the accounts), third parties can be engaged to assist in winning or retaining a client. They would be paid. It is acknowledged that there are times the engagement of and payment to third parties is legitimate – for example a proper profit sharing arrangement (often an agency of record referral) or a fee for expertise not currently available in the agency. However, the risk exists that payments to consultants or advisers are excessive and a means to facilitate value transfers to the (potential) client.</p>	<p>In recognition of the possibility that gifts and entertaining can be abused, especially in a pitch situation, a gifts and entertaining policy has been issued and is mandatory. The policy is at Appendix C of this document and on insedewpp.</p> <p>WPP has identified the risk that third parties could make payments or transfer value to potential clients. The policy was originally issued in 2009 but has been revised in 2016 – the later version MUST be used. By default, the policy prohibits the engagement of and payment to advisers/consultants or any third party assisting with a pitch. This policy, with definitions and checklists, is at appendix B. The associated mandatory templates are on inside.wpp.com and should be used for all intermediaries / consultant arrangements, not just in respect of tenders, should you wish an exception from the WPP CEO or FD to be granted.</p> <p>All consultants, even existing ones, must complete the questionnaire.</p> <p>No consultants may be engaged in respect of government clients – ie no exceptions will be granted.</p>	<p>Regional offices must monitor for situations relevant to this policy and must then monitor its application. This is clearly stated in the “WPP policy for regional ABC requirements” at Appendix G. In particular, each network region must nominate an individual to assume responsibility for this and the reporting up to WPP.</p> <p>The SOX and internal audit programmes have mandatory steps to ensure that the adviser payment policies have been received and understood by local management and acted upon.</p> <p>Some internal audits have a main focus on the adviser payment policy.</p> <p>The internal audit programmes include assessment of the implementation of the gifts and entertaining policy. Internal audit also monitors the level of engagement by regional offices in anti-bribery matters.</p>

The Risk	Mitigating activity	Monitoring activity
<p>Payments on behalf of clients</p> <p>It is possible that clients may request opcos to make payments on their behalf outside the normal assignment for the client. Clients may request opcos to retain a fund from which those payments would be made based on their instructions.</p>	<p>This type of transaction is prohibited. You do not know what the payments are for, who the recipient is or what they will do with the payments. They are outside your normal services to the client. You may be complicit in corruption, or, at least, assisting the client to breach their internal policies.</p> <p>To prevent this, there must be full adoption of WPP policies and practices for the setup of new suppliers and the authorisation of payments.</p>	<p>Payments must be monitored. Unusual requests must be investigated. Unusual balance sheet accounts or excessive debits in the P&L must be reviewed.</p>
<p>Location risk</p> <p>The Group operates in 112 countries in the world (as at March 2016).</p> <p>WPP is looking to expand its operations by acquisition and organic growth geographically and in challenging jurisdictions.</p> <p>Are financial controls and day-to-day oversight of all the trading businesses sufficient?</p>	<p>We have tabulated the scale of our presence in countries mapped against those countries’ ranking in Transparency International’s Corruption Perception Index.</p> <p>Corruption Perception index</p>	<p>The audit and compliance schedules take this profile into account.</p>

The Risk	Mitigating activity	Monitoring activity
<p>Structural risk</p> <p>WPP includes a high number of associate companies – generally those that are owned between 20% and 50%. There are also JVs and affiliate relationships whereby WPP has no ownership in the affiliate, which does nevertheless trade under a Group name.</p> <p>By definition, WPP does not control these organisations. However, under the UK Bribery Act, WPP may be responsible for ensuring that these organisations trade properly and without bribery.</p>	<p>We have extended our policies and training to associate companies via the WPP intranet.</p>	<p>Agreements with new JVs, associates and affiliates are reviewed in order to include: our policy on bribery; any specific requirements on these companies to state clearly their own intolerance of bribery; and also to clarify the sanctions in the event of discovering that bribery has or may have occurred.</p>
<p>Securing advantage from tax authorities</p> <p>WPP companies engage at least annually with tax authorities and are from time to time subject to reviews. Any gift or hospitality or anything else of value passed to tax authority personnel could be, or could be perceived to be, made in order to influence the outcome of tax audits or assessments, etc.</p> <p>Tax officials are government personnel.</p>	<p>There must be no gifts, hospitality or other transfers of value to any tax authority personnel. Similarly, such transfers of value must not be made to any third party acting for the tax authority or who you suspect may transfer value to tax authority personnel or to a third party who offers resolution of tax issues without it being totally transparent that corruption is not involved.</p>	<p>The gift and entertaining policy is clear and monitoring is via the regional network offices per the policy at Appendix G.</p>
<p>Facilitation payments</p> <p>There are 2 identified scenarios that are at risk. Firstly, WPP deploys a high number of expats and many employees travel internationally. Therefore, companies may be tempted to pay to facilitate the processing of visas. Second, there</p>	<p>The UK Bribery Act has a strict ban on facilitation payments (which is one point of difference between the UK Bribery Act and the FCPA, which allows them in certain circumstances).</p> <p>As such, no Opco or employee of WPP (or third party on your</p>	<p>Training workshops are addressing this in higher risk locations and specific scenarios relating to facilitation payments are included in the on line</p>

The Risk	Mitigating activity	Monitoring activity
<p>are limited times when goods are exported/imported for use by our networks or as part of a client project. These limited transactions could give rise to the risk of facilitation payments to customs officials, especially in certain countries.</p>	<p>behalf) may make facilitation payments.</p>	<p>training. Networks must monitor Opcos’ compliance.</p>
<p>New suppliers Breaches of our policy and the laws we must comply with can happen at vendors on our behalf, or vendors may have an existing reputation for inappropriate conduct. We must not work with any vendor that increases our risks of inappropriate behaviour or may facilitate breaches of policy.</p>	<p>New vendors (with a few exceptions for well know utility companies for example) must be subject to proper selection procedures and background checks as specified in the WPP Policy Book and also in the standard SOX template. WPP Preferred Suppliers, or properly vetted preferred suppliers locally must be used where possible.</p>	<p>Opcos must have procedures to ensure new vendors are set up correctly. Regional and WW offices must monitor this, aided by Internal Audit and SOX reports that may indicate weaknesses to be addressed.</p>

The Risk	Mitigating activity	Monitoring activity
<p>Abuse of rebate structures</p> <p>Rebates can amount to very significant cash flows, most clearly so in WPP’s media businesses. There is no inherent conflict between anti-bribery legislation and rebates and cash benefits, such as free space, which are subject to the same considerations. However, this transaction cycle can be open to abuse, most importantly if the transactions lack transparency or if they cause agencies to act improperly in allocating advertising spend. For example, an upfront contractual obligation on media owners to transfer a specified rebate value or percentage of Group spend to the media agency, which has been reviewed and approved appropriately and where calculations of the sums involved are clear and obvious and collection is timely is transparent. A post-hoc agreement between just one representative each from the media agency and media vendor without documentation and without pre-determined rates is not transparent. Agencies must comply with contractual obligations. If a rebate arrangement would influence a planner to perform his or her duties in a way that does not recognise this obligation and instead to act in the interests of the agency to the detriment of the client, then this could be considered improper.</p>	<p>There are on-going discussions between networks (particularly media investment management) and WPP legal and audit and also involving external counsel to define what is permissible as income.</p> <p>Networks must ensure that they have sufficient segregation of duties or alternative monitoring procedures in place to ensure that conflicts of interest do not arise in the planning and buying functions.</p>	<p>Rebate liabilities are monitored by networks.</p> <p>The GroupM methodology includes making and distributing a centralised assessment of whether rebates and other similar income may be retained by the agencies.</p> <p>Rebates are a principal subject of focus for internal and external audits across the Group.</p>

The Risk	Mitigating activity	Monitoring activity
<p>Misuse of rebates</p> <p>There is a risk of misuse of rebates. They should either be transferred to the client if the contract or local law requires it or retained by the agency. If they are not accounted for properly, they could be used to fund bribery or pay third party consultancy or research fees that in turn are used to pay bribes.</p>	<p>Opcos FDs must report items gross and transparently.</p> <p>Rebates are subject to internal and external audits as well as client audits.</p>	<p>Regional reviews of reported numbers must ensure that such costs are not netted off against billings or revenue such that they are hidden from review.</p>
<p>Acquisitions</p> <p>Target companies will not have been subject to WPP’s policies and will often not have their own anti-bribery programme in place. If acquired, WPP becomes responsible for all breaches of anti-bribery legislation.</p> <p>WPP’s strategy of acquisition in faster growth economies includes growth into countries ranked lower than average in the Transparency International Corruption Perception Index.</p> <p>The risk of corruption does of course in other markets and is not being ignored.</p> <p>Earnouts used in acquisition structures may create an incentive to win business “at any cost” during the earnout period and creates the need for increased vigilance.</p>	<p>WPP has an internal due diligence team. This team specifically reviews for possible bribes. It performs (usually outsourced) background checks on key personnel and the target.</p> <p>If inappropriate activity is detected within a target business, WPP may decide not to acquire it or to require a restructuring of the business and to clean up the historic issues before acquisition.</p> <p>New sales and purchase agreements include additional terms to allow for appropriate exit in the event of bribery or corruption – WPP legal has this wording.</p> <p>Once targets are acquired, they become subject to the annual online training, the code of conduct certification process and fall within the SOX and internal audit scoping population.</p> <p>Training is also delivered immediately where a specific risk is apparent.</p>	<p>Post-acquisition activity must specifically take into account any risks identified.</p> <p>Opcos (or networks) must ensure that all new employees are trained and systems and controls put in place on integration to ensure compliance with Group policies. This may entail additional financial controls and close supervision.</p>

The Risk	Mitigating activity	Monitoring activity
<p>Lobbying</p> <p>Certain of WPP’s businesses (public relations sector) involve lobbying. Inherently there is a risk that cash or other things of value could pass in order to influence third parties.</p>	<p>Legislation in the USA specifically precludes any payments or gifts or hospitality to members of congress. The T&E claim forms carry a specific certification that none of the money being claimed has been used in breach of this law.</p>	<p>Relevant opcos should consider adding a sign off clause on T&E forms such as: “I confirm that I understand the Group’s policy on bribery. I confirm that none of the items claimed on this form is in breach of legislation or WPP policy.”</p> <p>A compliance programme will be required to review risks in PR companies outside of the USA.</p>
<p>Payments to industry bodies</p> <p>Agencies and staff take great pride in receiving awards – and avoiding censure from bodies such as the Advertising Standards Authority (in the UK). Both of these have an impact on a company’s or network’s reputation and may influence future work/clients/pricing. It is therefore possible that excessive gifts or hospitality or transfers of value could be used to influence the relevant bodies or authorities.</p>	<p>The mitigation is covered by the above risk regarding gifts and entertaining.</p>	
<p>Resource level</p> <p>Does the Group have sufficient resource to implement and monitor compliance?</p>	<p>The legal and internal audit teams, including the compliance officer are currently at the forefront of the compliance initiatives. However, it is imperative that networks have nominated people to monitor compliance at their opcos – see Appendix F.</p>	<p>If required, this may be reviewed by the audit committee.</p>

Payments to third parties for referral / assistance in winning and retaining clients

You must not contract with or make payments to advisers. If any exceptions are proposed, they must be pre-approved in writing by the WPP CEO or FD, following proper due diligence.

1. Scope

Who does the policy apply to?

It applies to all and any third parties (whether advisers, consultants, intermediaries or otherwise, whether corporate or individual) who offer to provide assistance to an agency for pitching new clients, providing advice regarding clients or retaining existing clients, whether paid or not.

The application of this policy is not restricted to a narrow definition of “adviser”. It applies to any proposed intermediaries or third parties who introduce new clients, provide assistance with existing clients, make introductions to third parties who could assist with ongoing business or new business wins, provide advice on particular sectors or business types etc.

This is not an exhaustive list and this policy will apply even if the agency is not intending to pay such parties directly.

The policy applies to all relationships that may be unusual or are not routine supplier or client relationships.

Who does the policy not apply to?

The policy does not cover relationships between fellow WPP Group subsidiaries. It is not intended to cover on site freelancers and consultants whose work is clearly visible and integrated with that of your full time staff and could indeed be performed by an employee with the correct skill set, and are remunerated at a market rate without reference to the client revenues. An example would be participating in the production of creative work, or other equivalent activities in other businesses.

2. Policy

New adviser relationships, or extensions to existing relationships, are no longer permitted, although exceptions may be requested from WPP and will only be valid if approved in writing by either Mark Read, CEO, or Paul Richardson, FD. Applications must follow full due diligence of the proposed adviser, completion of the existing Advisor Information Form and Adviser Approval Form and WW network approval (see below).

Such exceptions would be very rare and would not set a precedent.

3. Criteria for seeking approval to use an adviser

Payments to third parties will always be prohibited if any of the following apply:

- A. Due diligence has not been performed or indicates problems. (See section 4 below.)
- B. You have reason to believe that the adviser might make payments or other transfers of value that are or could be construed as bribes.
- C. Payments would directly or indirectly go to any client personnel.
- D. You have reason to believe that the adviser might make payments or other transfers of value to a government employee or official.
- E. The client or potential client is part of, or funded by, or has links with a government body (directly or indirectly). Government organisations are widely defined and include international, national and local bodies and related organisations such as (but not limited to) political parties, tourism agencies and state-owned businesses (for example railways, banks, etc). (See Appendix I for a fuller definition.)
- F. The adviser is related to the potential client.
- G. The adviser has a conflict of interest with either the agency or the client.
- H. The adviser requests payment in an unusual form, or to a different organisation or an overseas organisation or bank – you must never make payments in cash or in advance.
- I. Contracts are not in place that properly describe the services to be provided by the adviser and the remuneration arrangements. Oral agreements are insufficient. Terms and conditions must include clear statements regarding WPP's stance against bribery and corruption and acknowledgement of this by the adviser.
- J. It is unclear what tangible, legitimate services would be provided by the adviser.
- K. The invoices from the adviser fail to describe accurately the services provided. It is an offence to maintain inaccurate accounting records and for invoices to bear false descriptions.
- L. Appropriate taxes would not be deducted or applied according to whether the third party is an individual or a corporation.
- M. Payments / fees / other value would exceed 15% of total net income earned in the first year. Note that if proposed payments are not one off but are ongoing for all or part of the duration of a contract, then the services provided must be of a continuous nature (eg akin to that of an account director).
- N. The adviser's main location or ownership is based offshore (unless the client is in the same location).
- O. The adviser has not completed the Adviser Information Form. (See section 4).

- P. There is a lack of clarity as to the ownership and background of the adviser.
- Q. The adviser has a criminal record (for fraud or otherwise) or is subject to a fraud, corruption or bribery investigation.
- R. The adviser is a Politically Exposed Person (see Appendix II for a definition).
- S. The reasons why the adviser has influence on the client or potential client are not clear to you or conflict with any other criterion listed herein.

All the above criteria must be addressed properly – see section 4 on Due Diligence.

If in doubt, do not proceed.

It is not acceptable to cite “local practice” or “everyone does it” or “it is necessary to do business” to justify practices that conflict with this policy.

4. Due diligence

The Opco CEO and CFO must ensure that they fully understand who the adviser is, their background and ability to deliver legitimate services legally.

Therefore, due diligence must be performed by an external investigator to address the above criteria using either Control Risks Group or RisQ. Their contact details are available from Paul Stanley, Director of Internal Audit, at WPP London, paul.stanley@wpp.com.

WPP has issued a template for obtaining and documenting relevant information: the **Adviser Information Form**. You must request that the adviser completes this, signs it and returns it to you before you contract with them or make any payments to them. The form should be formally appended to the contract with the adviser. It is not acceptable for the agency to complete the form on behalf of the adviser.

In addition, the Opco CEO and CFO must complete the **Adviser Approval Form**, also distributed by WPP. This includes confirmation that the reasons for using the adviser and the adviser’s ability to provide the services are understood and legitimate.

A copy of these forms must in all cases be sent to your network’s worldwide office. Opcos must retain the originals. The regional office must also maintain a file of all forms, whether the engagement of the adviser is authorised or rejected. This file must be available for audit.

You may not contract with or pay an advisor if there are any unresolved warning signs or red flags from the due diligence or Forms (see examples in Appendix III).

5. Approval

If you do wish to proceed, you must obtain written pre-approval from either Mark Read, WPP CEO, or Paul Richardson, WPP FD.

Applications must follow full due diligence of the proposed adviser, completion of the existing Adviser Information Form and Adviser Approval Form and WW network approval, as above.

6. Ongoing monitoring – by Opcos

If the use of an adviser has been approved and subsequently engaged, agencies have an ongoing responsibility and must keep their knowledge of the adviser up to date by reviewing it annually. If information is presented at any time that could adversely affect your opinion of the adviser, you must react accordingly. This may mean terminating a relationship with immediate effect - for example if you become aware that money or other value is indeed being passed to a client and / or employee of a government organisation. You must inform WPP Legal.

You will not be allowed to continue with the advisor or extend / renew any advisor contract unless an exception is approved as per section 5 above.

7. Monitoring – by regional offices

Regional offices must have a nominated person responsible for monitoring opcos' compliance with this policy. The following must happen:

- process requests for approval / review in accordance with this policy;
- maintain a file of all documents and forms, due diligence and decisions;
- actively monitor opcos' new business (and re-pitch) activity to ensure that they are following this policy; and
- build specific review of the use of advisers and compliance with this policy into the quarterly reporting cycle.

8. Conclusion

There is a general prohibition on using advisers – a term that has a broad definition.

In exceptional circumstances, pre-approval from WPP's CEO or FD may be sought, but the criteria for using advisers or similar third parties must be followed strictly and the procedures set out above must be adhered to.

The penalty for employees who breach this policy will likely be dismissal.

WPP Adviser Payment Policy - Appendix I

Guidance on what constitutes a government organisation / Definition of public administration entities

For US regulatory purposes, public administration entities include, but are not limited to, the following:

Government bodies. Any national, provincial or local government agency, department, office, or any public international organisation.

All political parties. Any political party, its party officials and any political candidates.

Corporations with government shareholdings. The US concept of "foreign official" includes any official or employee of a company owned or controlled by any national, provincial or local government agency, department, office, or any public international organization. The relevant US regulations refer to "any officer or employee of [an] instrumentality" of a foreign government. There is no US case law interpreting these words, so we must be guided by Securities and Exchange Commission (SEC) and Department of Justice (DOJ) enforcement practices and pronouncements. They appear to take the view that an "instrumentality" includes any corporation that is majority-owned by government, and may include corporations with a minority government interest if they are effectively controlled by that government.

Savings banks. Is a state bank or other bank that is effectively controlled by a government.

Temporary partnerships. As a temporary joint venture with a government entity, its officers and employees would likely fall within the scope of US regulations if the government entity has at least a 50% share in the joint venture, or if it otherwise effectively exerts control over the major decisions of the joint venture.

Associations and foundations. These would fall within the scope of US regulations if they are clearly public-sector organizations, formed or owned by a government, as opposed to clearly private-sector organizations formed or owned by their (non-governmental) members.

If it is not clear whether an entity is a public or private entity for US regulatory purposes, please disclose it so that WPP can advise.

WPP Adviser Payment Policy - Appendix II

Definition of a Politically Exposed Person

(Source: www.wolfsberg-principles.com)

The term "politically exposed persons" ("PEP") applies to persons who perform important public functions for a state. The definition used by regulators or in guidance is usually very general and leaves room for interpretation. For example, the Swiss Federal Banking Commission in its guidelines on money laundering uses the term "person occupying an important public function", the US interagency guidance uses "senior foreign political figure" and the BIS paper Customer due diligence for banks says "potentates".

The term should be understood to include persons whose current or former ("Rule of thumb": 1 year after giving up any political function) position can attract publicity beyond the borders of the country concerned and whose financial circumstances may be the subject of additional public interest. In specific cases, local factors in the country concerned, such as the political and social environment, should be considered when deciding whether a person falls within the definition.

The following examples are intended to serve as aids to interpretation:

- Heads of state, government and cabinet ministers;
- Influential functionaries in nationalized industries and government administration;
- Senior judges;
- Senior party functionaries;
- Senior and/or influential officials, functionaries and military leaders and people with similar functions in international or supranational organizations;
- Members of ruling royal families;
- Senior and/or influential representatives of religious organizations (if these functions are connected with political, judicial, military or administrative responsibilities)

WPP Adviser Payment Policy - Appendix III

Woolf Report extract – Red flags regarding advisers and similar third parties

The raising of any of the following with regard to an Adviser may indicate the need for enhanced due diligence or in some cases should result in the immediate termination of the relationship with the Adviser:

- a history of corruption in the territory
- lack of experience in the sector or the country in question
- non-residence in the country where the customer or the project is located
- no significant business presence within the country
- represents companies with a questionable reputation
- refusal to sign an agreement to the effect that he has not and will not make a prohibited payment
- states that money is needed to “get the business”
- requests “urgent” payments or unusually high commissions
- requests payments be paid in cash, use a corporate vehicle such as equity, or be paid in a third country, to a numbered bank account, or to some other person or entity
- requires payment of the commission, or a significant proportion thereof, before or immediately upon award of the contract by the customer to the company
- claims that he can help secure the contract because he knows all the right people
- has a close personal/professional relationship to the government or customers that could improperly influence the customer’s decision?
- is recommended by a government official or customer
- arrives on the scene just before the contract is to be awarded
- shows signs that could later be viewed as suggesting he might make inappropriate payments, such as indications that a payment will be set aside for a government official when made to him
- insufficient bona fide business reasons for retaining an Adviser

Guidance on giving and receiving gifts or hospitality

Our code of conduct states:

- We will not offer any items of personal inducement to secure business. This is not intended to prohibit appropriate entertainment or the making of occasional gifts of minor value unless the client has a policy that restricts this.
- We will not accept for our personal benefit goods or services of more than nominal value from suppliers, potential suppliers or other third parties.
- We will not give, offer or accept bribes¹, whether in cash or otherwise, to or from any third party, including but not restricted to government officials, clients and brokers or their representatives.

This guidance helps clarify what is and is not acceptable in respect of gifts and hospitality (whether directly corporate or on behalf of a corporate). Inevitably, some issues are clear-cut, but some are less obvious. This guidance sets out factors to be considered, a new procedure for recording gifts and hospitality and a process for assessing the acceptability of gifts and hospitality.

It applies to gifts and hospitality given and received.

The following considerations are relevant:

- Gifts and hospitality must only be of nominal value. This equates to different sums of monetary value in different opcos and countries and from one person to another. Offices must set a local currency limit on the normally acceptable value of gifts and hospitality – this limit is referred to as the “de minimis limit” and must not be higher than US\$200, but will usually be lower. Specific approval will be needed above this limit. Below the limit, subject to adherence to the other criteria below, the gift or hospitality would be deemed acceptable. Further consideration on value should include whether the value of the gift or hospitality is below or above what the individual would do with his or her own money. It is difficult to give examples that ‘work’ the world over. However, a ticket to a local sporting event would normally be acceptable. More expensive or lavish gifts or hospitality would be subject to authorisation. Tickets for you and a partner overseas with accommodation to see a sporting event would not normally be acceptable for example.

¹ A bribe can be defined as giving or accepting a financial or other advantage to influence / induce a person to act improperly.

See also the WPP training at: [ABC Training on inside.wpp.com](https://www.wpp.com/abc-training)

- If a gift or hospitality package is given to substantially all participants in a market – for example, representatives of all principal media competitors to attend a media owner event - it is less likely that the gift or hospitality will influence staff. If the gift or hospitality is available just to our agencies, then the likelihood that influence is sought will be higher and specific authorisation will be needed.
- If gifts or hospitality are given or occur in the run up to a pitch decision, the timing may clearly be seen to be seeking influence and would not normally be permitted.
- This guidance is not intended to preclude normal working meals of a reasonable cost with a third party.
- Consider who is attending. If it is just you and a partner, you must give greater consideration as to whether it is appropriate than if it was you and a person from the client or supplier – ie a legitimate work-related event rather than something partly for personal use. If it is just you and a partner, it would not normally be acceptable.
- Is the gift or hospitality legal or contractually permitted? Some clients prohibit all gifts and hospitality: you must comply with those contracts or requirements. Some local and international laws prohibit certain gifts and hospitality. You must comply with these laws, including tax regulations.
- Consider what others would think. Would your acceptance of a gift or hospitality be perceived by the average member of the public as unusual or excessive? Would you like to be named in the trade press as accepting (or giving) such a gift or hospitality? If not, it is clearly unacceptable.

New Processes

Authorisation

Each operating company should have a committee that can authorise gifts/hospitality as appropriate. They can set a de minimis threshold (as referenced above) so as not to be inundated with requests for normal activity such as breakfast/lunch/dinner/coffee with a supplier or client or other low value amounts that will not influence the other party.

There will be gifts and hospitality that are clearly excessive (it is the opinion of the 'average man in the street' that is relevant). But there will be a band between clearly acceptable and clearly unacceptable that must be adjudicated.

Gift register

A register should be maintained of all gifts and hospitality, given or received, above the de minimis level.

The names of the givers and recipients plus their organisations and job titles must be stated, together with the date the gift is given/received or the date of the hospitality and the actual or estimated value. A confirmation should also be given that the timing of the gift or hospitality does not coincide with a pitch or other key decision. Finally, confirmation should show that the third party is not a government agency or employee/representative thereof.

Audit and SOX will review the gift registers from time to time and will assess the reasonableness of the de minimis. The documentation must be kept up to date.

Format of gift register

It is acceptable that the format for gift & hospitality registers (electronic or paper for example) can be different - but the content must be comprehensive. The following is the mandatory information that must be recorded.

- Whether the gift or hospitality / entertainment has been given or received
- The name and role of the agency recipient(s) or giver (all involved persons should be listed)
- The name, organisation and role of the third party giver or recipient(s) (all involved persons should be listed)
- Description of the gift or hospitality and its actual value. If the actual value is not known, state an estimate and ensure that the description is sufficient to support the estimate
- Date of the event or gift
- Is the client/supplier a government organisation (this has a broader scope than is understood by some agencies) – gifts and entertainment to government organisations and employees are generally prohibited
- Is the gift or entertaining at the same time as a pitch – in which case it should not be permitted
- Who has approved the entry onto the register and when, with their job title.

A flow chart from one of the networks is attached and sets out the process well. Note that it is from a jurisdiction where the de minimis level of \$200 is appropriate: it will be lower in most countries.

Practical guidance on implementation

The policy is not intended to create an additional bureaucracy or to prevent perfectly proper business conduct in building and maintaining relationships.

This policy also recognises that there may be exceptions – but if there are, they must be properly documented. For example:

- 1.If an expensive dinner or event occurs in an impromptu manner without the ability for preapproval (if the cost per head were sufficiently high), then management should consider the need to enter the dinner or event in the gift and entertaining register afterwards.
- 2.If an individual in the organisation habitually incurs a high level of expenditure on gifts and entertaining as part of his or her role, management could decide to approve an annual budget for that person. However, there would need to be a quarterly review of expenditure by an independent party (perhaps the network's SOX Controller) to ensure that there were no transactions that could be perceived as breaching the anti-bribery legislation.
- 3.If an opco subscribes to season tickets (golf membership, or seats or a box at a football venue for example), then this need only be recorded on the register once.

The maximum de minimis limit is USD200. Opcos can set lower limits – and should do so in some geographies. None of the limits set should be greater than 10% of the average individual gross monthly salary in the opco.

- Gifts over the local de minimis limit should be entered onto the gift register and authorised. Block registrations are acceptable where multiple gifts are given or received.
- Business dinners where the cost per head is over the local de minimis limit should be entered onto the gift register. If the expenditure will be subject to the normal T&E expense claim approval procedures, then further approval is not necessary.
- Other events and entertaining that are ostensibly business related (multiple opco personnel with business counterparties, not overseas and not with spouses / partners) need to be recorded on the gift register and authorised when they exceed over the local de minimis limit per head. An event can be registered as one entry, albeit with full disclosure of the relevant participants from the opco and the relevant third party (ie the direct invitees or inviting persons)
- Other events and entertaining that are not clearly and solely business purpose (skiing trips, perhaps with spouses / partners for example, maybe not with the business counterparty – or maybe such an event with just one business counterparty and one opco person), need special consideration. In these cases, preapproval is mandatory when the per head spend is over the local de minimis limit.
- If a gift is received that is excessive (IT or other electronic equipment or cars or holidays are example), you should first try to decline the gift. If this is not possible, the item could be raffled for all members of staff with the proceeds

being sent to charity. The same could apply to similar items received from client or vendor prize draws.

The gift register must also be updated if opco personnel are recipients of gifts, dinners or entertaining as above. Values may have to be estimated.

Example scenarios

Acceptable and unacceptable gifts and hospitality

The following examples are designed to make you think about how to apply the gifts and entertaining policy, beyond the simple application of financial limits.

In all of the following cases, you must take into account one further overriding principle: if the value of the event or gift that you could benefit from is clearly more than you would pay in your personal non-business life, then it immediately has the perception of being able to influence you and should at least be on the gift register and may need to be declined. Similarly, the same consideration should be given in respect of recipients of gifts and entertaining that you as a company give. This will require judgement rather than be a precise determination of course.

At all times, if you are unsure about whether something is acceptable, then it is good that you are thinking about the policy and the rights and wrongs of a gift or hospitality event. You must consult in these situations.

Sporting events

You invite a prospective client to a local football game (or a cricket game). The company buys regular stand tickets and the venue is in the same city you both work in.

There is clearly an element of entertainment involved – it is not just an event for discussing business. It does allow the chance to discuss business and most importantly it allows a better relationship to be built.

This is normally perfectly permissible.

If the match were a major fixture (a local derby; a cup final; the Superbowl; etc) for which tickets are difficult to obtain and / or expensive, the “value” is clearly higher and hence the ability for the entertainment to be considered improper increases. At the least, this would need to be entered onto the gift register.

If the event had a higher value – as above – you must consider the timing of the entertainment. If it were just before the announcement of a tender for new business, it would be inappropriate and should not be offered. Even at a lower value, you must consider whether the perception would be wrong and whether others may consider your actions to amount to bribery. If that is the case, the event should not be offered.

If the match were not local, maybe it is overseas in a luxury box with all expenses paid, you must normally consider it to be excessive and not permitted. In order to proceed, there must be pre-approval that justifies a proper business case and demonstrates that the event is not intended to influence the client improperly. This might (and this statement is not to be treated as authorisation) be the case if the event was part of a widespread industry event that catered for many people and not just this client.

A supplier hosted skiing event

If you are lucky enough to be based by the ski slopes and an afternoon's skiing with a client or supplier is considered perfectly normal and practiced by a great many business people, then there is less likely to cause for concern at such an event.

However, if a supplier invites you from London, say, to Switzerland, and pays all costs, you should normally consider this as excessive and not permitted. It is clearly expensive and not solely for business. It would be very difficult to justify a case that such a trip would not make you more likely to favour this supplier.

There may be a level of acceptability (after disclosure on the gift register) if invitations to the event are in fact offered to all agencies.

If the invitation were extended to you and a partner, the business case is much less likely to be justified and normally you would decline the invitation.

A business lunch or dinner

Such events are usually a perfectly proper part of business. However, they can be abused.

A good measure of acceptability is to consider what you would consider excessive and would not pay for if you were paying the bill (the check). This is not designed to preclude expensive dinners, but is a good benchmark.

Gifts

You have a supplier who sends you and other staff a bottle of reasonably priced wine (or similar level gift if you do not drink alcohol) at the end of the year. This is not an issue.

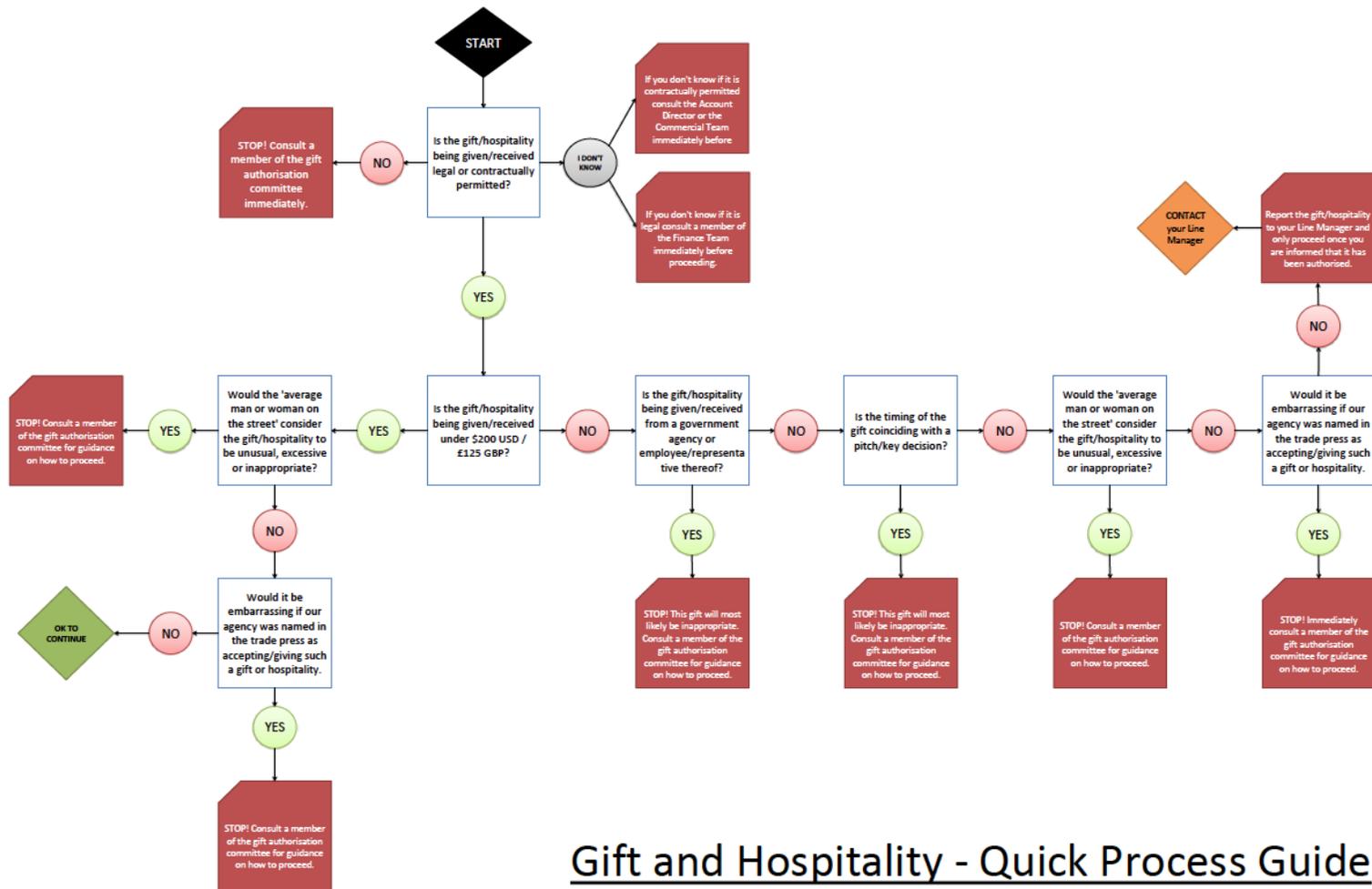
You send a particularly relevant book to a client you know will enjoy it. This is not an issue.

A client sends you something from its own product range as a gift – maybe a low priced camera for example. Depending on the value, you would need to enter this onto the gift register.

A client sends the same camera, but it is not their product (maybe they are a clothing company). This is more unusual. You should consider whether it is appropriate to receive such a gift, taking into account any particular current situations with the client, and you should consult in doing so. At the least, it will need to be entered onto the gift register.

You are based in the US and send a client a piece of artwork valued at over \$1,000 (and if you were based in some other countries, the value used for this illustration would be considerably lower). In almost all cases, this would be unacceptable.

You are undertaking a pitch process for a new client. You think it would help persuade them to appoint your opco if they were sent gifts. This is unacceptable and must not happen. In fact, you should re-take the anti-bribery training course.



Gift and Hospitality - Quick Process Guide

WPP Code of Business Conduct – For Suppliers

Please refer to inside.wpp.com.

WPP: Anti Bribery & Corruption Policy

Our Code of Business Conduct states:

We will not give, offer or accept bribes, whether in cash or otherwise, to or from any third party, including but not restricted to government officials, clients and brokers or their representatives.

We will collectively ensure that all staff understand this policy through training, communication and by example.

What is a bribe?

Bribery is illegal. We cannot promise to make, pay or receive bribes.

A bribe is giving or promising to give, or requesting or accepting or agreeing to accept, something of value to induce a person to act improperly in the course of their employment.

By acting improperly, a person could make decisions that are influenced by the bribe.

The bribe may secure a contract or new business unfairly; it may inappropriately secure better payment terms or tax treatment; it may expedite visas, permits or customs clearances.

The value may be financial or otherwise. It could be cash; it could be a gift, lavish hospitality or the offer of work experience to a family member.

If the value were transferred via a third party, it would still be a bribe.

Facilitation payments

Facilitation payments are also prohibited in all circumstances. The references to a bribe in this policy therefore apply equally to facilitation payments.

Examples include payments to speed up the receipt of a visa for travel or for an expat; payments to customs officials to reduce the time it takes for goods to be released; small sums to receive liquor licences timely for events etc.

What is WPP's policy?

Bribery, either as a giver or as a receiver, by any person or business in the WPP Group globally is completely prohibited. You must not make facilitation payments.

There are no exceptions, whether for local practice or otherwise.

Breach of this policy will result in disciplinary action up to and including dismissal. It will be considered to be a breach of policy if a manager tolerates and / or fails to report a breach by an employee reporting to him or her.

How do you apply the policy?

Use the adviser payment policy. Third party vendors must sign the WPP Code of Conduct for Suppliers.

Every office must maintain a gift and entertaining register in line with WPP policy, recording and approving all gifts or entertainment given or received above a locally relevant limit.

This policy is clear and there are no exceptions.

All staff must complete the online training when requested by WPP. New staff must complete the online training within 2 weeks of joining.

Management must ensure they are aware of the specific risks of bribery and corruption in their business and location. The risks must be evaluated and appropriate mitigating procedures put in place.

If any person encounters a situation of possible or actual bribery or corruption, they must talk immediately to their local or regional management, who must contact WPP legal and compliance for advice. Right to Speak is available as a reporting channel of last resort.

Advisor Payment Policy

There is a general prohibition on advisors.

It is imperative that opcos know who they are doing business with: for example, what services are offered; is the remuneration appropriate; are you confident that none of that remuneration will be paid illegally to other parties – ie a corrupt payment or a bribe; is the third party free from a history of bribery or corruption; is the third party a related party that could cause a conflict of interest (whether to an employee involved in the contract or to a potential client if the third party is being engaged to assist in a pitch process)?

This policy is not restricted to a narrow definition of “advisor”. It applies to any business relationship that has an inherently higher risk of bribery or corruption, including consultancy to assist with pitch processes.

Refer to the full policy for more details and relevant forms to document your decisions and due diligence. It is available in the ABC Booklet or as a separate bulletin on inside.wpp.com.

Code of Conduct for Suppliers

WPP expects all companies or people it works with to abide by the same principles as in its Code of Business Conduct.

Suppliers and freelancers should therefore sign the version amended to be specifically relevant to them. It is available in the ABC Booklet or as a separate bulletin on inside.wpp.com.

If a supplier refuses, but is instead able to confirm its adherence to its own Code of Business Conduct that comprises the same points of principle, this is an acceptable alternative.

If a supplier refuses to sign and does not have its own equivalent principles, you should consider an alternative supplier.

If the supplier is such that you are a generic consumer – for example a national telco or power company – it is unlikely that you will be able to have the Code of Business Conduct signed. This is an acceptable exception, assuming there is not an ethical issue with the supplier that is already in the public domain.

Gifts and entertaining / hospitality

The giving or receiving of gifts or hospitality could be deemed as bribery if (a) its timing is coincidental with an important business decision involving the two parties; (b) it is of such a value that it could be perceived as influencing decision making; or (c) is so frequent that it could be perceived as influencing decision making. It is important to recognise that the benchmark by which these criteria will be judged is "what would a reasonable person think?" – and that means perception is as important as the underlying facts.

Gifts and entertaining have not been prohibited by WPP as long as they are not excessive either in value or volume and are not associated with a business decision (awarding a contract for example).

However, the gifts and entertaining policy must be followed. This requires approval of all items; pre-approval of items over a certain de minimis level set appropriately for the local market, but in any event not more than US\$200; and documentation in the locally maintained gift register where over this limit. The policy also offers guidance on how to evaluate whether gifts or hospitality are acceptable.

The full policy is available in the ABC Booklet or as a separate bulletin on inside.wpp.com.

Facilitation payments

These payments are prohibited.

If you encounter difficulties in adhering to this policy, you must contact WPP legal and / or compliance.

Risk registers

Management of each opco must maintain a register of business risks that is updated annually. This risk register must incorporate specific risks of bribery and corruption. It must not be a generic "risk of bribery" entry, but should address risks of the use of advisers in the market for example, or the risk of kickbacks, or of being obligated to make facilitation payments for example. The mitigating factors and actions you have in place to protect your business and people from these risks must be stated clearly.

Examples of risks are included in the ABC Booklet on inside.wpp.com.

Requirements of regional offices for ABC implementation

WPP has issued the following documents relating to our Anti Bribery & Corruption measures.

- ABC Policy
- ABC Booklet
- Adviser Payment Policy
- Gifts and Entertaining Policy

This policy is a statement of the procedures required by regional network offices to ensure the proper dissemination of and adherence to the above policies.

1. General policy statement

Bribery is illegal.

Regional management must have a designated person responsible for the proactive monitoring of adviser activity and policy compliance; gifts and entertaining; risk registers; and training. The name and contact details of the nominated person must be sent to WPP.

This must not be a “ticking the box” exercise. There must be proactive monitoring as set out in the following detailed sections to ensure that the policies are being operated effectively at opcos.

The actions taken must be documented and be available for audit to support their adequacy.

2. Use of third parties & the Adviser Payment Policy

New adviser relationships, or extensions to existing relationships, are no longer permitted, although exceptions may be requested from WPP and will only be valid if approved in writing by either Mark Read, CEO, or Paul Richardson, FD. Applications must follow full due diligence of the proposed adviser, completion of the existing Advisor Information Form and Adviser Approval Form and WW network approval (see below).

Such exceptions would be very rare and would not set a precedent.

Regional offices must ensure that opcos understand and adhere to the policy.

Regional management must proactively ask opco management whether any third party advisers/consultants are being used for pitch or re-tender activity and must specifically confirm this when they are aware that a pitch is under way at an opco.

Regional management must ensure they ascertain the true nature of consulting or similar fees identified in Cartesis or through reviews.

3. Gifts & Hospitality

Regional management should ensure that the reason behind maintaining a gifts & hospitality register is understood by each opco.

Regional management must ensure that the de minimis limits used as the threshold for recording items in the register make sense for each country – and they must not exceed \$200.

Quarterly, the opco gifts & hospitality registers should be reviewed (a) to confirm that the register has been completed properly; and (b) to challenge any entries that might be inappropriate or excessive. The copies should be kept and any challenges documented along with the resolution.

In conducting the review, regional management must ensure the following:

- The register includes gifts and hospitality / entertainment;
- The register includes gifts & hospitality given and received;
- Cash or cash equivalents such as vouchers are not being given or received;
- The de minimis limit for each opco is appropriate to the country;
- There is evidence of pre-approval, not just entry onto the register;
- The date and reason for the gift or entertaining is documented, with all relevant parties (giver and receiver) named and job title and organisation stated.

4. Risk registers

Regional management must review each opco's risk register at a minimum annually to ensure they are detailed enough and are relevant to the risk types and likelihoods in each individual country. Generic entries such as "risk of bribery" must be rejected.

They must identify where an opco has significant activity with government clients and ensure that the response is suitable.

The risk registers should be challenged and re-submitted if not in line with regional's expectations.

If the regional reviews indicate that local management is failing to appreciate the risks, direct action should be taken, such as reiteration of the tone from the top, targeted ethics training, greater focus on the adviser policy, more time managing the gifts & hospitality register, wider distribution of ABC booklet, seeking advice from WPP compliance or legal, etc.

5. Anti-Bribery & Corruption Training

WPP sends a monthly report to each network's worldwide office showing the names of all people who have completed the training. The Regional office must obtain the relevant extract of this report and follow up with each opco to monitor completions against their total staff lists.

They must ensure that opco management pursue members of staff who have not completed the courses.

They must ensure that new employees complete the training within 2 weeks of starting.

6. Monitoring

WPP will hold calls with each network to confirm the application of this policy and to discuss any issues arising.