

**WPP plc**  
**ANNUAL GENERAL MEETING – 8 JUNE 2016**  
**STATEMENT BY STANDARD LIFE INVESTMENTS**

My name is Euan Stirling and I am Head of Stewardship and ESG Investment at Standard Life Investments. On behalf of our clients, we own nearly seventeen (17) million shares<sup>1</sup> in WPP. My recently-retired colleague, Guy Jubb, attended your AGM last year to voice our concerns about the potential for Sir Martin Sorrell to dominate board decision-making given his long tenure and his role in shaping the group, and also the remuneration arrangements relating to Sir Martin.

Management succession has been a key risk for the company for a number of years. This has been all the more apparent as the group has expanded through acquisitions and organic growth, while maintaining a comparatively small corporate head office function, with only 400 of the 190,000 group employees at the corporate centre.

On this issue, we believe that the company is making good progress and that is supported by the disclosures in the recently published annual report. However, as each year passes, and as the company continues to grow and evolve, we clearly move closer to the day that a new chief executive will need to be recruited. As a result, we believe that the board's work on succession to date will need to be augmented and regularly refreshed in order that the group has the ability to continue to succeed with a new hand on the tiller.

On the subject of executive pay, we have today voted against the Remuneration Report. The current policy could result in the chief executive receiving over fifteen times (15x) his base salary of more than One Million Pounds (£1m) should all the performance conditions be met. We expect that is more than would be required to recruit, retain or motivate even someone with the redoubtable talents of Mr. Sorrell.

Your annual report specifically acknowledges that businesses need permission from society to operate and that they need to exhibit a broad sense of responsibility to all stakeholders. As shareholders, we ask that these factors are reflected in future succession planning and remuneration policies.

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<sup>1</sup> As at 2 June 2016

We commend the board on the progress that they have made in succession planning in the last twelve (12) months and would ask that this effort continues in order to improve the risk profile of the group. Could I also ask, Mr Chairman, for your view of the likely impact from the improvement in succession planning, on the remuneration policy which will face a mandatory vote at next year's annual meeting?

## ***ENDS***

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## **Notes**

1. All information, opinions and estimates are those of Standard Life Investments and its affiliates, and constitute our best judgement as of the date indicated and may be superseded by subsequent market events or other reasons.
2. This is not intended as an offer to buy or sell any security nor does it constitute investment advice.
3. With assets under management of £258.6bn (31/03/16), Standard Life Investments is one of Europe's leading investment houses.
4. Standard Life Investments was launched as an investment management company in 1998. It is a wholly owned subsidiary of Standard Life Investments (Holdings) Limited, which in turn is a wholly owned subsidiary of Standard Life plc.
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