

# WPP

## Notice of Annual General Meeting

This Notice is the formal notification to share owners of the Annual General Meeting, its date, time and place and the resolutions to be considered (numbered 1 to 20 in the Notice).

It is an important document. If, having read it, you are in any doubt as to the action you should take, you should consult an appropriate professional advisor. Separate notes on the Form of Proxy (also enclosed with this document) explain the arrangements for share owners to exercise their voting rights.

If you have sold or transferred all of your WPP Group plc ordinary shares, please pass these documents to the person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Notice is hereby given that the Annual General Meeting of the share owners of WPP Group plc (the 'Company') will be held at 12 noon on Tuesday 24 June 2008 at The Ballroom, Claridges, Ballroom Entrance, Brook Street, Mayfair, London W1K 4HR, to consider and, if thought fit, to pass the following resolutions, of which Resolutions 1 to 13 and Resolutions 16, 19 and 20 will be proposed as Ordinary Resolutions and Resolutions 14, 15, 17 and 18 as Special Resolutions. Voting on all resolutions will be by way of a poll.

- 1 To receive and, if approved, to adopt the Company's accounts for the financial year ended 31 December 2007 together with the last directors' report, the last directors' remuneration report and the auditors' report on those accounts and the auditable part of the remuneration report.
- 2 To declare a final dividend of 9.13 pence per ordinary share to be payable to the share owners appearing on the register at the close of business on 6 June 2008, as recommended by the directors for the year ended 31 December 2007.
- 3 To elect Timothy Shriver as a director.
- 4 To re-elect Orit Gadiesh as a director.
- 5 To re-elect Stanley (Bud) Morten as a director.
- 6 To re-elect Koichiro Naganuma as a director.
- 7 To re-elect Esther Dyson as a director.
- 8 To re-elect John Quelch as a director.
- 9 To re-elect Mark Read as a director.
- 10 To re-elect Paul Spencer as a director.
- 11 To re-elect Sir Martin Sorrell as a director.
- 12 To re-appoint Deloitte & Touche LLP as auditors of the Company to hold office from the conclusion of the Annual General Meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the directors to determine their remuneration.
- 13 That, in accordance with Article 6 of the Company's Articles of Association, the directors be empowered to allot relevant securities up to a maximum nominal amount of £43,812,326.40 but so that this authority shall expire on 24 June 2013 and that all previous authorities under Section 80 of the Companies Act 1985 shall cease to have effect.
- 14 That, in accordance with Article 11 of the Company's Articles of Association and the Companies Act 1985, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10 pence each in the Company on such terms and in such manner as the directors of the Company may from time to time determine, provided that:
  - (i) the maximum number of ordinary shares hereby authorised to be purchased is 117,155,289;
  - (ii) the minimum price which may be paid for an ordinary share is 10 pence (exclusive of expenses (if any) payable by the Company);
  - (iii) the maximum price which may be paid for an ordinary share is not more than the higher of an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and the amount stipulated by Article 5 (1) of the Buyback and Stabilisation Regulation 2003 (exclusive of expenses (if any) payable by the Company); and
  - (iv) this authority, unless previously revoked or varied, shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2009, save that a contract of purchase may be concluded by the Company before such expiry which will or may be executed wholly or partly after such expiry, and the purchase of shares may be made in pursuance of any such contract.

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- 15 That, in accordance with Article 7 of the Company's Articles of Association, the directors be empowered to allot equity securities for cash and that for the purposes of paragraph (1)(b) of Article 7 the nominal amount to which this power is limited shall be £5,867,764.45 and this power shall expire on 24 June 2013 and all previous authorities under Section 95 of the Companies Act 1985 shall cease to have effect.
- 16 That the WPP directors' remuneration report set out in the report of the Compensation Committee contained in the 2007 Report and Accounts be approved.
- 17 That, with effect from the conclusion of the Annual General Meeting, the new Articles of Association produced to the Annual General Meeting and for the purpose of identification marked 'A' and signed by the Chairman of the Annual General Meeting (the 'New Articles') be adopted in substitution for, and to the exclusion of, the current Articles of Association of the Company.
- 18 That, subject to the passing of Resolution 17, and to take effect on and from 1 October 2008, Article 84 of the New Articles be deleted in its entirety, Articles 84 to 89 as set out in the document produced to the Annual General Meeting and marked 'B' and signed by the Chairman of the Annual General Meeting be substituted therefor, and the remaining Articles be re-numbered.
- 19 That the amendments to the rules of the WPP Group plc Annual Bonus Deferral Programme, as set out in the copy of such rules produced to the Annual General Meeting and signed for the purposes of identification by the Chairman of the Annual General Meeting, be approved and that the directors be authorised to effect such amendments to such rules.
- 20 That the Company be authorised to defer satisfaction of the awards due to Sir Martin Sorrell under the WPP Group plc 2004 Leadership Equity Acquisition Plan ('2004 LEAP') granted in 2005 by amending the terms of the awards in the form set out in the draft agreements produced to the meeting and for the purposes of identification signed by the Chairman, the principal terms of which are summarised in the Notice convening this meeting and that the board of directors of the Company acting through its Compensation Committee be and is hereby authorised to do all such acts and things which it may consider necessary or expedient for the purposes of carrying the deferrals into effect.

By Order of the Board  
M W Capes, Secretary  
WPP Group plc  
19 May 2008  
Registered Office  
Pennypot Industrial Estate,  
Hythe, Kent, CT21 6PE

**Important Notes**

- 1 Only share owners whose names appear on the register of members of the Company at 6pm on 20 June 2008 shall be entitled to attend the Annual General Meeting (the "Meeting") either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the Meeting.
- 2 A share owner entitled to attend and vote at the Meeting may appoint one or more proxies to attend, speak and vote instead of him or her. A share owner may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise rights attached to a different share or shares held by him or her. A proxy need not be a share owner of the Company.
- 3 To be valid, the Form of Proxy for use at the Meeting and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power of authority, must be deposited at the offices of the Registrars of the Company, Computershare Investor Services Plc, PO Box 1075, The Pavillions, Bridgwater Road, Bristol, BS99 3FA, not less than 48 hours before the time appointed for holding the Meeting. Completion and return of the Form of Proxy will not prevent you from attending and voting at the Meeting instead of your proxy, if you wish.
- 4 As an alternative to completing and returning the printed Form of Proxy, you may submit your proxy over the internet by accessing the Company's website [www.wppinvestor.com](http://www.wppinvestor.com). For security purposes, share owners will need to provide their share owner reference number (SRN) and personal identification number (PIN) to validate the submission of their proxy online. Share owners' individual SRN and PIN are shown on the printed Form of Proxy sent to them. For further information, see the instructions printed on the Form of Proxy.
- 5 A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the share owner by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the share owner as to the exercise of voting rights. The statements of the rights of share owners in relation to the appointment of proxies in paragraphs 2, 3, and 4 above do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.

- 6 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CREST Co's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, whether it constitutes the appointment of the proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agents, Computershare Investor Services plc (ID3RA50), by no later than the close of business on Friday 20 June 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST application's host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any amendment to the instruction given to a proxy appointed through CREST should be communicated to the proxy through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CREST Co does not make available special procedures in CREST for any particular messages. Normal system timing and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timing.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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- 7 As at 12 May 2008 (being the last practicable business day prior to publication of this Notice) the Company's issued share capital consists of 1,173,552,889 ordinary shares carrying one vote each of which 2 million shares are held in treasury. Therefore, the total voting rights in the Company as at 12 May 2008 are 1,171,552,889.
- 8 In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the meeting so that (a) if a corporate share owner has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that share owner at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (b) if more than one corporate representative for the same corporate share owner attends the meeting but the corporate share owner has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate share owners are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (a) above.
- 9 Copies of the following documents are available for inspection during normal business hours at the Registered Office of the Company and at the offices of Hammonds LLP, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Notice and at the place of the Meeting from 11.30am until the close of the Meeting:
- (a) directors' service contracts and terms of appointment for the chairman and for the non-executive directors;
  - (b) terms of reference of the Audit, Compensation and Nomination Committees;
  - (c) register of directors' interests;
  - (d) the WPP Corporate Responsibility Report;
  - (e) the Memorandum and the current Articles of Association of the Company;
  - (f) the New Articles, together with the current Articles of Association of the Company marked to show the changes being proposed by Resolution 17 to take effect from the close of the Meeting;
  - (g) the revised New Articles, together with the New Articles marked to show the changes being proposed by Resolution 18 to take effect on and from 1 October 2008;
  - (h) a copy of the rules of the WPP Group plc Annual Bonus Deferral Programme containing the proposed amendments;
  - (i) the rules of the WPP Group plc 2004 Leadership Equity Acquisition Plan adopted by the Company by resolution of share owners on 16 April 2004, as subsequently amended; and
  - (j) the agreements to which Resolution 20 relates.

## Explanatory notes to the Notice of Annual General Meeting

This year, voting on all resolutions will be by way of a poll rather than a show of hands. This reflects best practice and means that all the votes cast, and not just those of the share owners present, are taken into account. If you are unable to attend the Annual General Meeting, the directors urge you to appoint a proxy or proxies to attend the Meeting and vote on your behalf, or nominate the Chairman of the Annual General Meeting to vote on your behalf.

The poll results will be notified to the UK Listing Authority and published on the Company's website as soon as possible after the conclusion of the Annual General Meeting.

### Item 1: Report and Accounts

The directors must present to share owners at the Annual General Meeting the report of the directors and the accounts of the Company for the year ended 31 December 2007. The report of the directors, the accounts, the report of the Compensation Committee and the report of the Company's auditors on the accounts, are contained within the 2007 Report and Accounts.

Resolution 1 will be proposed as an Ordinary Resolution.

### Item 2: Declaration of final dividend

The directors are authorised by the Company's Articles of Association to pay interim dividends. Under this authority, the directors paid an interim dividend of 4.32 pence per ordinary share on 12 November 2007. Final dividends must be approved by share owners, but must not exceed the amount recommended by the directors. By passing Resolution 2, share owners may declare a final dividend. The amount of the final dividend recommended by the directors is 9.13 pence per ordinary share.

Resolution 2 will be proposed as an Ordinary Resolution.

### Items 3 to 11: Election and re-election of directors

Appendix I to this Notice gives details of the election and re-election of directors and reasons therefor. Each election and re-election shall be considered as a separate resolution at the Meeting.

Each of Resolutions 3 to 11 inclusive will be proposed as an Ordinary Resolution.

### Item 12: Re-appointment of auditors

The auditors of a company must be appointed at each general meeting at which accounts are presented. Resolution 12 proposes the re-appointment of Deloitte & Touche LLP, to hold office until the conclusion of the next Annual General

Meeting to be held in 2009. The resolution also gives authority to the directors to determine the auditors' remuneration.

Resolution 12 will be proposed as an Ordinary Resolution.

### Item 13: Authority to allot shares

Resolution 13 proposes to seek renewal of the authority to the directors to allot ordinary shares for a period of five years from the date of the resolution. The £43,812,326.40 nominal amount of relevant securities to which this authority will relate represents approximately 33.3% of the nominal amount of the issued ordinary share capital of the Company as at 12 May 2008 (excluding treasury shares) together with ordinary shares outstanding under the group share option schemes. This amount complies with guidelines issued by investor bodies. As at 12 May 2008, the Company holds 2 million treasury shares which represent approximately 0.2% of the total ordinary share capital in issue as at 12 May 2008. Except pursuant to the employee share schemes, the conversion of the 5% Convertible Debentures due 2033 of Grey Global Group Inc (the '5% Debentures') into American Depositary Shares ('ADSs') representing ordinary shares, the satisfaction of deferred consideration under certain acquisition agreements to which the Company is a party and in connection with a possible offer for Taylor Nelson Sofres plc as publicly announced prior to the date of this Notice, the directors have no present intention of allotting ordinary shares. The authority will expire on 24 June 2013 but in accordance with previous practice the directors intend to seek renewal of this authority at subsequent Annual General Meetings.

Resolution 13 will be proposed as an Ordinary Resolution.

### Item 14: Authority to purchase own shares

In certain circumstances, it may be advantageous for the Company to purchase its own ordinary shares and Resolution 14 seeks authority from share owners to authorise the directors to make such purchases in the market.

The directors consider it desirable for this general authority to be available to provide additional flexibility in the management of the Company's capital resources. The directors only implement the authority when, in the light of market conditions prevailing at the time, they believe that the effect of any such purchases will enhance earnings per share in the medium to long term and will be in the best interests of share owners generally. Any shares purchased under this authority would ordinarily be cancelled and the number of shares in issue will be reduced accordingly though the Company now has the option to hold them as treasury shares following changes in company law in the UK. The purchase price will be paid out of distributable profits.

The total number of options to subscribe for ordinary shares that are outstanding as at 12 May 2008 is 47,996,152. The proportion of issued share capital that they represented

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at that time was 4.1% (excluding treasury shares) and the proportion of issued share capital that they will represent if the full authority to buy back shares (existing and being sought) is used and if the shares bought back are cancelled, will be 4.5% (excluding treasury shares).

Resolution 14 specifies the maximum number of shares which may be purchased (representing approximately 10% of the Company's issued ordinary share capital as at 12 May 2008, excluding treasury shares) and the minimum and maximum prices at which they may be bought, reflecting the requirements of the Companies Act 1985 and the UK Listing Authority. The directors intend to seek renewal of this power at subsequent Annual General Meetings.

Resolution 14 will be proposed as a Special Resolution.

### Item 15: Disapplication of pre-emption rights

At the Annual General Meeting held on 26 June 2007, the directors were empowered to make limited allotments of ordinary shares for cash other than according to the statutory pre-emption rights, which require a company to offer all allotments of ordinary shares for cash proportionately to existing share owners first.

Resolution 15 proposes to seek renewal of this power of the directors and would continue to provide the directors with the power to allot shares for cash when they consider it is in the best interests of share owners to do so and so that:

- (a) the Company can follow normal practices in the event of a rights issue; and
- (b) ordinary shares may be issued wholly for cash other than proportionately to existing ordinary share owners up to a maximum nominal amount of £5,867,764.45 (which includes the sale on a non pre-emptive basis of any shares the Company holds in treasury for cash) representing approximately 5% of the Company's issued ordinary share capital as at 12 May 2008.

There are presently no plans to allot ordinary shares wholly for cash other than pursuant to the employee share schemes, the conversion of the 5% Debentures into ADSs representing ordinary shares, the satisfaction of deferred consideration under certain acquisition agreements and in connection with a possible offer for Taylor Nelson Sofres plc as publicly announced prior to the date of this Notice. Shares allotted under an employee share scheme are not subject to statutory pre-emption rights.

The authority sought by Resolution 15 will last until 24 June 2013 but, in accordance with previous practice, the directors intend to seek renewal of this authority at subsequent Annual General Meetings.

Resolution 15 will be proposed as a Special Resolution.

### Item 16: WPP remuneration report

Resolution 16 proposes the approval of the Company's remuneration report by share owners.

The report, which is made on behalf of the full Board, explains the different elements which comprise executive remuneration, including how base salaries and annual and long-term incentive remuneration are determined for executive directors of the parent company and for senior executives of the parent company and Group operating companies. In addition, the Company's executive stock ownership policy, the utilisation of the stock incentive plans and the provision of other benefits are explained.

Resolution 16 will be proposed as an Ordinary Resolution.

### Item 17: New Articles of Association

Resolution 17 proposes the adoption of new Articles of Association by share owners with effect from the conclusion of the Annual General Meeting. These update the Company's current Articles of Association (the 'Current Articles') primarily to take account of changes in English company law brought about by certain provisions of the Companies Act 2006 (the 'CA 2006') which are already in force.

The principal changes introduced in the New Articles are set out below. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the CA 2006, have not been noted.

#### a) Articles which duplicate statutory provisions

Provisions in the Current Articles which reflect statutory provisions are amended to bring them into line with the CA 2006. Certain examples of such provisions, including provisions as to the convening and notice of general meetings and proxies, are detailed below.

#### b) Convening and notice of general meetings

It is proposed that the provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings be amended to conform to the new provisions in the CA 2006. In particular, a general meeting (other than an annual general meeting) to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

#### c) Quorum requirements

The CA 2006 provides that in general terms the quorum for a general meeting be calculated by reference to the numbers of 'qualifying persons' who are present at the meeting, which includes an individual who is a member of the Company, a person authorised under section 323 of the CA 2006 to act

as the representative of a corporation, and a person appointed as proxy of a member. As before, it is proposed that the quorum for a general meeting will be two but, in line with the CA 2006, the New Articles make clear that there will be no double counting for qualifying persons who are representatives of the same corporation or proxies of the same member.

d) Proxies

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Under the CA 2006, proxies are entitled to speak at general meetings and to vote on a show of hands. The CA 2006 allows multiple proxies to be appointed provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the share owner. The New Articles reflect these new rules, as appropriate.

e) Directors' fees

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The New Articles provide for directors' fees up to an aggregate limit of £1,500,000 per annum whereas the Current Articles provide for an aggregate limit of £1,000,000 per annum (in each case subject to an ordinary resolution of the Company determining a larger sum). The new figure takes into account the effects of inflation and the increase in the number of directors on the Company's board. The figure was last increased in 2005.

f) Electronic and web communications

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Provisions of the CA 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. The New Articles allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within a period of 28 days beginning on the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

g) Directors' indemnities

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The CA 2006 has in some areas widened the scope of the powers of a company to indemnify directors. This is reflected in the New Articles. The opportunity is also being taken to clarify that, subject to the applicable legislation, the Company may grant indemnities to directors of associated companies.

h) General

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Generally, the opportunity has been taken to conform the language of the New Articles to the language of the CA 2006.

Copies of the proposed New Articles, together with the Current Articles marked to show the changes being proposed by Resolution 17, are available for inspection as stated in Note 9 to this Notice.

Resolution 17 will be proposed as a Special Resolution.

Item 18: Amendment of New Articles

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Resolution 18 proposes amendments to the New Articles to take effect on and from 1 October 2008 in order to reflect changes being introduced by the CA 2006 on that date relating to directors' conflicts of interest. The principal changes to the New Articles are summarised below.

Directors' interests

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The CA 2006 sets out directors' general duties. The provisions largely codify the existing law, but with some changes. Under the CA 2006, from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The CA 2006 allows directors of public companies to authorise conflicts and potential conflicts where the articles of association contain a provision to this effect. The CA 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. These include, first, that only independent directors (i.e. those who have no interest in the matter being considered) will be able to take the relevant decision and, second, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation or subsequently if they think this is appropriate.

It is proposed to include provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

It is the board's intention to report annually on the Company's procedures for ensuring that the board's powers

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of authorisation of conflicts are operated effectively and that the procedures have been followed.

Copies of the revised New Articles, together with the New Articles marked to show the changes being proposed by Resolution 18, are available for inspection as stated in Note 9 to this Notice.

Due to the phased nature of implementation of the CA 2006, it is likely that further changes to the New Articles will be proposed at a later Annual General Meeting.

Resolution 18 will be proposed as a Special Resolution.

### Item 19: Annual Bonus Deferral Programme

The Annual Bonus Deferral Programme (the 'ABDP') is one of the Company's share incentive plans. Historically awards under the ABDP have been satisfied by the transfer of shares from one of the Company's employee benefit trusts. Following recent changes in US tax rules, the satisfaction of certain awards under this plan using shares from the employee benefit trusts may crystallise additional tax liabilities for participants that can be avoided by satisfying the awards using treasury shares. The current rules of the ABDP do not permit awards to be satisfied in this manner and the approval of share owners is needed to amend the rules of the ABDP in this respect.

The proposed changes to the rules can be seen in the copy of the rules of the ABDP on display. A summary of the principal terms of the ABDP after the amendments is set out in Appendix II to this Notice.

Resolution 19 will be proposed as an Ordinary Resolution.

### Item 20: Leadership Equity Acquisition Plan 2004

As a result of the introduction of new regulations concerning the United States ('US') taxability of remuneration, to enable Sir Martin Sorrell to defer receipt of the awards granted to him in 2005 under 2004 LEAP (the '2005 Awards') and thereby maximise his commitment to the Company, the deferral needs to be fully implemented before 31 December 2008.

Sir Martin currently holds awards granted in 2004, 2005, 2006 and 2007 under 2004 LEAP and is expected to be invited to participate in the 2008 awards. The awards granted in 2004 were deferred pursuant to the share owner authority granted in December 2007.

Sir Martin's 2005 Awards are comprised of two parts. One part (the 'US part') reflects the time spent by him performing services under the agreement dated 14 May 2001 as amended, made between WPP Group USA, Inc and Sir Martin Sorrell, under which Sir Martin currently provides his services within the US. The other part (the 'UK part') reflects the rest of the time spent by him performing services under the agreement dated 14 July 2001 as amended, made between WPP 2005 Ltd and Sir Martin Sorrell, under which Sir Martin currently provides his services outside the US.

The investment and performance period in respect of the 2005 Awards ends on 31 December 2009. After this date the Compensation Committee of the Company will be required to determine the extent to which the performance conditions have been satisfied. Assuming satisfaction of all the relevant conditions Sir Martin will be entitled to receive the shares deliverable on maturity of this award during February or early March 2010.

Sir Martin has always sought to retain as large a stake in the Company as he can as part of his commitment to and belief in the Company. For this reason he would like to defer receipt of the shares in the Company (if any) that the Compensation Committee determines are payable in satisfaction of the 2005 Awards. He would also like to defer receipt of the shares that represent dividends payable on that number of shares during the performance period of the 2005 Awards (the 'Matching Shares'). Sir Martin is looking to defer the 2005 Awards and the Matching Shares until 2012. To enable this deferral to take place, share owner approval is required to make the necessary amendments to the terms of the 2005 Awards. Resolution 20 provides the appropriate approval which is being sought for this purpose.

Although Sir Martin has indicated that he would like to defer receipt of the 2005 Awards and the Matching Shares until 2012, a final decision on whether the deferrals should be effected will be delayed until later in the year. This is to enable greater flexibility to adapt to, for example, any further changes in the relevant US tax legislation. However, it is more efficient to seek share owner approval at the AGM than later in the year. Further details of the agreements required to effect the deferral are set out in Appendix III.

Resolution 20 will be proposed as an Ordinary Resolution.

Appendix I

**Election and re-election of directors**

Timothy Shriver has been appointed to the Board since the last Annual General Meeting of 26 June 2007, and is therefore seeking share owner approval of his appointment in line with Article 67 of the Company's Articles of Association.

Esther Dyson, Stanley (Bud) Morten and John Quelch are seeking re-election again this year. They have been directors of the Company for more than nine years (including the period as directors of the former parent company prior to the implementation of the Scheme of Arrangement in October 2005). Similarly as Orit Gadiesh, Koichiro Naganuma, Mark Read, Sir Martin Sorrell and Paul Spencer would have been seeking re-election to ensure they had not been on the Board for more than 36 months since their last re-election had the Scheme of Arrangement not taken place, they are also seeking re-election this year.

The letter from Philip Lader in his capacity as Chairman of the Board and of the Nominations Committee contained in the Annual Report and Accounts under the heading 'How We Behave' sets out the process which has been followed relating to the assessment of the performance during 2007 of all of the then current members of the Board including himself as Chairman of the Company. The Chairman confirms that, following these detailed assessments each of the directors continues to be effective and to demonstrate the commitment of time and energy to committee meetings and other duties for the Company.

Each of the directors therefore unanimously recommends (other than in respect of their own appointment) share owners to vote in favour of Resolutions 3 to 11 inclusive.

A review of the biographical details of each of the directors seeking election appears on pages 106 to 108 of the 2007 Annual Report and Accounts and indicates the breadth of knowledge and experience which each of them brings to the Company.

Appendix II

**Summary of principal terms of the amended Annual Bonus Deferral Programme (the 'ABDP')**

1 Outline

The principal terms of the ABDP were summarised in the prospectus accompanying the circular to share owners relating to the Scheme of Arrangement dated 31 August 2005.

For each financial year the Board selects the employees who may participate in the ABDP. The ABDP offers a variety of methods for employees to invest cash bonuses in shares in the Company. They may receive one or more of the following:

- 1.1 'Basic Share Awards', where employees choose to waive their cash bonuses and receive an entitlement to free shares in the Company after four years;
- 1.2 'Basic Share Rights', where employees choose to waive their cash bonuses and are granted options over shares in the Company at a nominal price, which become exercisable after four years;
- 1.3 'Invested Shares', where employees choose to receive their cash bonuses and apply them in purchasing shares in the Company that are held in trust for them for four years by the trustee of an employee benefit trust;
- 1.4 'Bonus Share Awards', which are extra free shares in the Company that are transferred to a participant who remains with the WPP group of companies for four years; or
- 1.5 'Bonus Share Rights', which are extra nominal cost options that are exercisable provided a participant remains with the WPP group of companies for four years. Employees can choose whether to receive these or Bonus Share Awards.

## Notice of Annual General Meeting

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Awards under the ABDP are satisfied by the transfer of shares in the Company, either by the trustee of one of the Company's employee benefit trusts or from treasury. The aggregate number of treasury shares used to satisfy awards under the ABDP, awards under any other employees' share scheme of the Company and awards under any other employees' share scheme introduced before the reorganisation in October 2005 under Section 425 of the Companies Act 1985 whereby the Company was introduced as a new parent company must not exceed 10% of the issued share capital of the Company.

Benefits under the ABDP are not pensionable.

### 2 Eligibility

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An employee must be employed within the WPP group of companies and not be under notice to leave at the grant date.

### 3 Forfeiture

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Bonus Share Awards and Bonus Share Rights in respect of Invested Shares are granted contingently on the participant allowing the Invested Shares to be held by the trustee of one of the Company's employee benefit trusts throughout a four-year vesting period. During the vesting period the participant may not withdraw, transfer, pledge, assign, charge or otherwise dispose of all or any of the Invested Shares unless the Board determines otherwise. The corresponding Bonus Share Award or Bonus Share Rights will lapse if the participant does so without Board consent.

### 4 Dividends, Scrip Dividends and Voting Rights

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Bonus Share Awards and Bonus Share Rights in respect of Invested Shares are contingent on the participant waiving any right to all dividends and scrip dividends declared in respect of the Invested Shares until the Invested Shares are transferred to the participant. Where a dividend is declared by reference to a record date after the date of the award and before the date of transfer, the trustees will acquire shares in the Company calculated by reference to the dividends that would have been paid.

In relation to Invested Shares, a participant is entitled to instruct the trustee on how to vote or abstain from voting or whether to accept or reject any offer. The trustee is entitled, in its discretion, to vote or abstain from voting in respect of the shares in the Company that are the subject of any award under the ABDP.

### 5 Transfer, Exercise and Lapse of Awards and Invested Shareholdings

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The shares in the Company subject to a Basic Share Award, a Bonus Share Award and Invested Shares will be transferred to the participant as soon as reasonably practicable after the final day of the four-year vesting period.

A Basic Share Right or a Bonus Share Right does not become exercisable before the end of the vesting period.

If the participant ceases employment within the group of WPP companies for any reason the shares in the Company subject to a Basic Share Award, Invested Shares and any shares in the Company acquired by the trustees in relation to dividends accrued to the date of transfer will be transferred to the participant as soon as is reasonably practicable following the date of cessation, unless the Board determines otherwise.

If a Participant holding a Basic Share Right ceases employment within the group of WPP companies for any reason, the right becomes exercisable unless the Board determines otherwise.

### 6 Change of Control

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If there is a change of control, or WPP passes a resolution for voluntary winding up, or if an order is made for compulsory winding up of WPP, the trustee shall as soon as is reasonably practicable after the change of control, transfer to the participant all of the shares in the Company to which the participant is entitled and participants may exercise Basic Share Rights or Bonus Share Rights within 60 days of the event, failing which such rights will lapse. The number of shares subject to Bonus Share Awards and Bonus Share Rights will be pro-rated according to the proportion of the vesting period represented by the number of completed periods of four weeks from the date of award.

### 7 Variations of Capital

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In the event of any capitalisation issue, rights issue, rights offer or the issue of shares as consideration for an acquisition or any sub-division, consolidation, reduction or other variation of the capital of WPP or any specie dividend, demerger or in such other circumstances as the Board determine, the Board may make such adjustments to the awards as the Board considers fair and reasonable provided that WPP's auditors confirm that such adjustment is fair and reasonable.

8 Amendments

The Board, with the consent of the trustees of the Company's employee benefit trusts, may at any time alter or add to all or any of the provisions of the ABDP in any respect, provided that:

- 8.1 no alteration or addition to the advantage of participants may be made to a provision relating to:
- (a) participants or eligible employees;
  - (b) limitations on the number of shares in the Company subject to the ABDP;
  - (c) the maximum entitlement for any one participant; and
  - (d) the basis for determining a participant's entitlement under the ABDP, and the terms of that entitlement, and for the adjustment thereof if in the event of a capitalisation issue, rights issue or open offer, subdivision or consolidation of shares or reduction of capital or any other variation of capital of the Company without the prior approval by ordinary resolution of the members of the Company in general meeting, other than a minor amendment to benefit the administration of the ABDP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or any member of the WPP group of companies; and
- 8.2 any alteration or addition which would adversely affect to any material extent the subsisting rights of a participant shall not be made without the consent of that participant.

Appendix III

Summary of the terms of the agreements to defer the 2005 Awards

To effect the deferral of the receipt of the Matching Shares under the US part of the 2005 Awards, it is proposed that Sir Martin enter into an agreement with the Company and WPP Group USA, Inc on terms that would defer the delivery date of the Matching Shares until 30 November 2012. The other key terms of that proposed agreement are as follows:

- (a) The award will be paid out early in the event of termination of employment or a change of control of the Company or if Sir Martin must include the award in income for US tax purposes in a tax year earlier than 2012 pursuant to section 409A of the U.S. Internal Revenue Code;
- (b) As at present, the amount equal to the dividends that would be payable to Sir Martin if he were to take the shares on their due date will be deemed to be reinvested in further shares which will be delivered to Sir Martin at the end of the deferral period (the 'LEAP Dividend Equivalent'); and
- (c) An indemnity in respect of certain unlikely adverse tax consequences for the WPP group as a result of the deferral will be provided by Sir Martin.

To effect the deferral of the UK part of the 2005 Awards, it is proposed that Sir Martin enter into an agreement to extend the option period for exercise of the award. The option will be exercisable at any time after the date on which the 2005 Awards would have been satisfied but for the deferral of those awards and before 30 November 2012. As in the case of the US part of the 2005 Awards:

- (a) As at present, the LEAP Dividend Equivalent on the UK part of the 2005 Awards will be delivered to Sir Martin on exercise of his option; and
- (b) An indemnity in respect of certain unlikely adverse tax consequences for the WPP group as a result of the deferral will be provided by Sir Martin.

Key dates

24 June 2008	Annual General Meeting
7 July 2008	Payment of final dividend for 2007
August 2008	Half-year interim statement
October 2008	Third-quarter trading statement
November 2008	Payment of interim dividend for 2008

# WPP

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