



How we're rewarded

Compensation Committee report on behalf of the Board

Dear share owner

The work of the Compensation Committee in 2008 took place against a background of increasingly challenging business conditions in the economy as a whole and for the marketing services industry. In this environment, the committee maintained its focus on ensuring that the Company's compensation policies at all levels were aligned to share owner interests, were fair to the Company's employees, and enabled the Company (in a continuing competitive market for talent) to retain, incentivise, and recruit the talented people who are vital to the Company's success.

2008 highlights

The committee's work during 2008 included:

- a review of the total compensation packages of the Group's most senior executives relative to marketplace benchmarks to ensure competitiveness;
- a review of the total compensation packages of both Paul Richardson and Mark Read;
- a full review of the effectiveness and operation of all of WPP's share incentive plans;
- the approval of all incentives (including the Renewed Leadership Equity Acquisition Plan (LEAP)), payable in cash and in shares, for senior executives throughout the Group and setting appropriate targets for the Group chief executive and other executive directors;
- consideration of the design details for LEAP III – the incentive plan that, with share owner approval, would replace Renewed LEAP following its expiry in 2009; and
- a review of the fees for the chairman (in his absence), for the chief executive (in his absence), and a recommendation to the Board as to the fees for the non-executive directors.

What changed in 2008?

Details of all elements of compensation and any changes made to them are found in the following pages. To summarise, the key decisions and changes to compensation during the year were as follows:

- the first awards under Renewed LEAP vested in March 2008. The committee exercised its discretion under the fairness review to reduce the size of the payout;

- proposals for LEAP III, commencing in 2009 are being developed and will be put to share owners, probably at the AGM;
- following the reorganisation in November 2008, the executive directors became entitled to a fee for their services as directors of the Company (the Group's new holding company). The aggregate of each executive director's base salary and directorship fees became the same as that director's base salary alone before reorganisation;
- the base salary of Sir Martin Sorrell, Group chief executive, and the fees of Philip Lader, chairman, were scheduled for a normal bi-annual review in 2008. Before a formal review was taken, each of them separately advised the committee that he did not think it appropriate to be considered for an increase in view of the current business conditions. The committee agreed with their request despite being minded to consider an increase for each of them;
- the committee's policy is to review non-executive director fees bi-annually. Following its scheduled review and in light of current business conditions, the committee recommended to the board that the fees for non-executive directors not be increased other than for a small increase to the fee for the Audit Committee chairman;
- an increase to the base salary and fees for Paul Richardson from £500,000 to £550,000 was approved, effective 1 July 2008;
- as Mr Richardson is now based in the US, his base salary has been converted into US dollars. To avoid currency fluctuations, effective 1 January 2009, his base salary will be \$830,000; he also receives fees of £100,000 in respect of his directorship of WPP plc; and
- Mark Read's base salary and director's fees were reviewed and have been increased from £275,000 to £325,000 with effect from 1 January 2009.

As always, the time and support given by my fellow committee members, Philip Lader and Esther Dyson, and the ongoing advice and counsel of Bud Morten, the former chairman of the committee, are greatly appreciated. The committee's thanks also go to Marie Capes (the Company Secretary), Mark Linaugh (the chief talent officer) and Adrian Jackson (the director of compensation and benefits).

Jeffrey Rosen
Chairman of the Compensation Committee
14 April 2009



Composition of the Compensation Committee

During 2008, the Compensation Committee comprised the following:

- Jeffrey Rosen (chairman of the committee);
- Esther Dyson; and
- Philip Lader.

No member of the committee has any personal financial interest (other than as a share owner as disclosed on page 137) in the matters to be decided by the committee, potential conflicts of interest arising from cross-directorships or day-to-day involvement in running the Group's businesses.

The terms of reference for the Compensation Committee are available on the Company's website and will be on display at the AGM, as set out in the Notice of AGM.

Advisors to the Compensation Committee

The Compensation Committee regularly consults with Group executives, particularly the Group chief executive (who was not present when matters relating to his own compensation or contracts were discussed and decided), the chief talent officer and the director of compensation and benefits. The latter two individuals provide a perspective on information provided to the committee and are a conduit for requests for information and analysis from the Company's external advisors. During the year, the committee was advised by Towers Perrin. Advice was also received from Hammonds LLP on legal, tax and governance issues relating to compensation and benefits. Hammonds LLP provides legal advice on a range of matters to the Group.

The committee receives advice on the following:

- analysis of competitive compensation practices and determination of competitive positioning;
- base salary and fee levels;
- annual and long-term incentive plans and awards including awards made under Renewed LEAP;
- the policy for employees relating to WPP share ownership;
- pensions and executive benefits;
- changes in accounting, taxation, legal and regulatory practices;
- governance issues relating to compensation and the role of the committee; and
- policies for preventing and addressing employee harassment and discrimination.

The link between compensation and business objectives

All executive compensation at WPP is governed by three guiding principles:

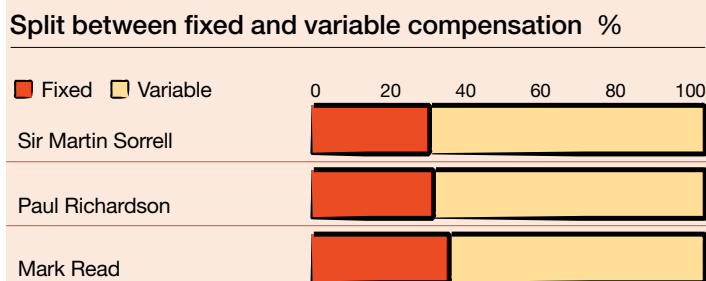
- the need to be competitive;
- being performance-driven; and
- alignment to share owner interests.

These three principles are themselves derived from both our mission statement (see page 12) and our six business objectives (see pages 24 to 28).

WPP competes on the basis of its intellectual capital. This intellectual capital is created entirely by its people, and the committee endeavours to strike the right balance of fairness for both employees and share owners. For this reason, compensation plans are designed to be competitive, performance-driven and aligned to share owner interests.

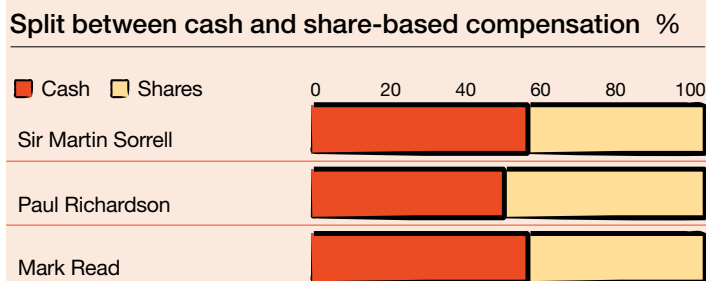
The committee regularly reviews fixed and variable compensation against appropriate benchmarks.

The chart below shows the proportion of total remuneration which is variable (due to the linkage to performance) compared to fixed remuneration.



WPP is committed to aligning executive performance and reward with share owner interests. From a compensation perspective, this is encouraged in a number of ways:

- TSR is the sole performance target for both Renewed LEAP and LEAP III (to be proposed to share owners);
- share ownership is encouraged for the WPP Leaders (approximately the top 200 executives), all of whom have ownership goals of 40,000 ordinary shares;
- all employees are given a share focus through the use of the Worldwide Ownership Plan; and
- almost 50% of the compensation package of executive directors is paid in the form of shares (the value of ESA and expected value of Renewed LEAP).



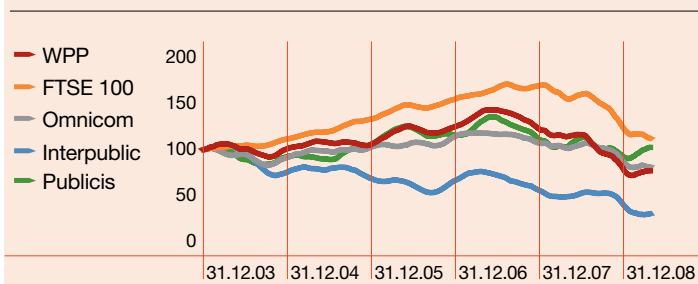
TSR performance

The Company's TSR for the period from 31 December 2003 to March 2009 is shown on the graph on the opposite page, top left. The FTSE 100 is the Index the Board considers most



relevant for the purpose of comparison and Omnicom, Interpublic and Publicis are shown as these are the companies with whom the Company's performance is most commonly compared.

Relative TSR Rebased to 31 December 2003*



* Measured on a common currency basis.

Key elements of short- and long-term remuneration

The principal elements of WPP executive remuneration currently comprise the following:

- base salaries and fees (fixed);
- short-term incentives paid in both cash and shares which vest in the medium-term of two years (variable); and
- long-term incentives paid in shares (variable, and in certain instances, subject to both co-investment and performance conditions).

Pension contributions, life assurance, health and disability, and other benefits are also provided.

Base salary and fees

	Current salary and fees	Effective date
Sir Martin Sorrell	£1,000,000	1 Jan 2007
Paul Richardson	\$830,000 and £100,000	1 Jul 2008
Mark Read	£325,000	1 Jan 2009

Fees are paid to executive directors in respect of their directorships of WPP plc. Base salaries and fees for the senior people at WPP are normally reviewed every 24 months. When salaries are reviewed this is done so within the context of:

- total compensation;
- the current mix of fixed and variable compensation;
- the performance of the relevant business unit;
- pay and employment conditions elsewhere in the Group; and
- general market conditions.

In determining suitable benchmarks the committee looks at similar roles in competitor organisations and, if appropriate, general industry data for organisations of comparable size and complexity.

Sir Martin Sorrell's base salary was last increased on 1 January 2007 (and prior to that on 1 September 1999). Although he was due a review in 2008, he informed the committee that an increase would not be appropriate in

light of current business conditions. His compensation package therefore remains unchanged.

As reported last year, Paul Richardson's base salary was reviewed during 2007 and an increase from £450,000 to £500,000 effective 1 July 2007 was approved. This was over four years from his previous increase. It was also agreed that an additional increase of £50,000 would be considered effective 1 July 2008 depending on a further review at that time. The committee considered that the revised base salary of £550,000 appropriately positioned him relative to both the FTSE 100 and WPP's closest industry competitors. Since December 2008, Mr Richardson has been entitled to annual fees of £100,000 in respect of his directorship of WPP plc, and his base salary became £450,000 at that time. Effective 1 January 2009, the committee changed Mr Richardson's base salary to \$830,000 as Mr Richardson is now based in the US; his £100,000 fee remains unchanged. This change was designed to protect Mr Richardson from the exchange rate variations that have been very volatile. His base salary was calculated using an exchange rate of \$1.85 to £1 (which was the exchange rate used by the Company for the purposes of its accounts during 2008, as detailed on page 146) and subsequently cross-checked against appropriate US benchmarks to ensure that it did not result in his remuneration exceeding those benchmarks. Mr Richardson's next regular review will not be before July 2010.

Mark Read's base salary was last increased on 1 January 2007. As with Sir Martin Sorrell and Paul Richardson, Mark Read became entitled to fees of £100,000 in respect of his directorship of WPP plc. His base salary at that time became £175,000. When reviewing his compensation the committee felt that his base salary and fees were considerably below the median for his role and position as a director of the company. Since his appointment to the Board in 2005, Mr Read had grown substantially both in experience and in strategic importance. It was therefore felt that an increase in his base salary from £175,000 to £225,000 was justified. The implementation of this increase was, however, deferred until 1 January 2009. The £100,000 fee remains unchanged.

Salary increases throughout the Group in 2009 will be authorised on a performance and competitive basis.

Retirement benefits

All pension benefits for the Company's executive directors are currently on a defined contribution basis and only the aggregate of base salary and fees is pensionable under any Company retirement plan. Details of pension contributions for the period under review in respect of executive directors are set out on page 133.

The form and level of Company-sponsored retirement programs vary depending on historical practices and local market considerations. The level of retirement benefits is regularly considered when reviewing total executive remuneration levels.



Short-term incentives

Each year WPP sets challenging financial performance conditions for each operating company. Performance against these targets determines the size, if any, of the incentive pool for that unit. In aggregate, incentive payments in 2008 were down compared with 2007. This trend was also reflected in the bonuses paid to executive directors.

Individual targets (both financial and strategic) for the operating company CEOs are also set by WPP and in turn, these CEOs set similar targets for their direct reports. Payment is in the form of both cash bonuses and Performance Share Awards (PSA) which vest a further two years after grant.

In a similar way, the Compensation Committee sets objectives for Sir Martin Sorrell and the other executive directors. The extent to which these objectives are met will determine the size of both the annual cash bonus (STIP) and the Executive Share Award (ESA), the portion of the annual bonus paid in shares which vest a further two years after grant.

Consistent with previous years, for 2008 each director was measured in the three areas shown below:

■ **Group financial objectives**

Determined at the start of each year; examples of measure include margin improvement and operating profit growth.

■ **Individual strategic objectives**

Determined at the start of each year; examples of measure include relative financial performance, advancing CSR strategy and improving back office synergies.

■ **Key business objectives**

Determined at the end of each year; examples of measure include improving creative reputation and developing digital strategy.

Each of these three elements is equally weighted for cash bonus purposes (i.e. one third of the bonus is payable for the achievement of each objective). Except for the Group financial objectives, the exact measures differ by each individual executive director.

No changes were made in 2008 to the levels of short-term incentive payouts for achieving either target or maximum performance.

After considering each of these areas and the respective measures for each executive, the committee assessed the following levels of performance against target bonus payable in cash (shown as a percentage of target bonus):

	Group financial objectives		Individual strategic objectives		Key business objectives	
	% of target	Cash amount £000	% of target	Cash amount £000	% of target	Cash amount £000
Sir Martin Sorrell	75%	250	120%	400	180%	600
Paul Richardson	75%	110	100%	147	125%	183
Mark Read	75%	34	150%	69	150%	69

This resulted in the following bonus payments in respect of 2008, shown as a percentage of salary:

	Bonus percentage paid in cash			Bonus percentage paid in shares (ESA)		
	Target	Max	Actual	Target	Max	Actual
Sir Martin Sorrell	100	200	125	67	100	75
Paul Richardson	80	120	80	100	133	100
Mark Read	50	75	62.5	67	100	83.5

In some countries an opportunity exists to defer part of the annual bonus for four years in the form of WPP shares. At the end of the deferral period a 25% match is applied to the original shares subject to continuous employment. No executive director participated in this plan in relation to the bonus paid for 2008.

Long-term incentives

During the year the committee reviewed the operation and effectiveness of all share-based plans including ESAs and PSAs. A similar review had previously taken place in 2005 which led to significant changes in the design of the incentive plans.

In contrast this review found that the current plans were:

- effective in their operation;
- valued by participants, particularly for their simplicity;
- competitive within the marketplace; and
- aligned to the overall business objectives of the Company.

No major structural adjustments were therefore felt necessary at this time although the committee will continue to keep this under review.

As part of the Group reorganisation completed in November 2008, a new Executive Stock Option Plan and a new Worldwide Ownership Plan were adopted to replace the earlier versions of these plans, under which new awards could not be granted after the reorganisation.

Renewed Leadership Equity Acquisition Plan (Renewed LEAP)

2008 was the fifth year of operation for Renewed LEAP and awards were once again granted to the Group's key executives. Details of these awards can be found on page 135.

Under Renewed LEAP, which was approved by share owners in 2004, participants have to commit and retain WPP shares (investment shares) in order to have the opportunity to earn additional WPP shares (matching shares). The number of matching shares that a participant can receive at the end of the investment and performance period depends on the Company's TSR performance measured over five years (four years in the case of awards made in 2004).

Because relative TSR may not always reflect the true performance of the Company, the Compensation Committee is required to perform a 'fairness review' on the basis of



which it may, in exceptional circumstances, decide to vary the number of matching shares that will vest. Factors the committee considers in its fairness review of any awards include, amongst others, various measures of the Group's financial performance (such as growth in revenues and in earnings per share) and any evidence of distortions in the share price of either WPP or the peer group (such as bid price premia).

The first award cycle for the 2004 to 2007 performance period vested at the start of 2008. Details of the payout can be found in the table on page 135. However, it should be noted that (as was fully disclosed in last year's Report & Accounts), although the result of the TSR calculation indicated a vesting level of 3.27 matching shares, after the operation of the fairness review there was a net reduction of 0.67 such that the final number of matching shares awarded was 2.60. These figures take into account the impact of both the bid premium contained in two of the comparator companies and the large currency swings over the performance period.

The second award cycle for the 2005 to 2009 performance period vests at the start of 2010.

Restricted Stock Plan

Other than to satisfy awards under the short-term plans (ESA and PSA), the principal use of the Restricted Stock Plan is for awards under the WPP Leaders and WPP Partners programs. These programs are used to further align the interests of about 1,100 of our key executives with the interests of share owners.

In both programs awards are made to participants that vest three years after grant provided the participant is still employed within the Group. Some executives at the head office participate in these programs but no awards are made to executive directors.

Executive Stock Option Plan

In order to attract or retain key talent it is sometimes necessary to make special grants of options. Only 15 grants were made in 2008 and none of these were to executive directors.

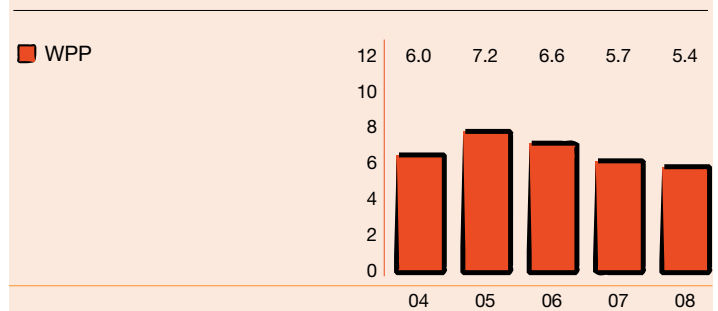
Worldwide Ownership Plan

The Worldwide Ownership Plan is an all-employee plan that makes annual grants of stock options to employees with two years of service who work in wholly owned subsidiaries. As at 31 December 2008 options under this plan had been granted to approximately 72,000 employees over 34 million ordinary shares. Any executive who participates in one of the other share plans described above does not receive grants in this plan.

Share incentive dilution for 2004 to 2008

The dilution, as at 14 April 2009, was well below 10%. It is intended that Renewed LEAP awards, the ESAs, the PSAs and Restricted Stock Plan awards will all be satisfied with purchased shares held either in the employee share ownership plans (ESOPs) or in Treasury.

Dilution %





Key elements of short- and long-term remuneration

	Objective	Participation	Performance period	Conditions	Change of control
Short-term					
Base salary	To maintain package competitiveness at all levels within the Group.	All employees.	n/a	Salary levels are determined by taking a number of relevant factors into account, including individual and business unit performance, level of experience, scope of responsibility and the competitiveness of total remuneration.	n/a
Cash bonus	To incentivise delivery of value at all levels within the Group.	Approximately 10% of employees are eligible to receive a performance bonus.	1 year	Achievement of challenging performance goals (financial and non-financial) at the individual and business unit level.	The cash bonuses of executive directors do not crystallise on a change of control.
Performance share awards	To incentivise delivery of value and to align with interests of share owners.	Key operating company executives.	1 year	Achievement of challenging performance goals (financial and non-financial) at operating company level. Further two-year retention period.	See note below for Restricted Stock Plan.
Executive share awards	To incentivise delivery of value and to align with interests of share owners.	Key head office executives and executive directors.	1 year	Achievement of challenging individual annual bonus objectives. Further two-year retention period.	See note below for Restricted Stock Plan.
Long-term					
Renewed LEAP	To incentivise long-term performance by comparing WPP's TSR against the TSR of key comparators and to maximise alignment with share owner interests through a high level of personal financial commitment.	Participation offered only to those key executives (currently no more than 20 people) whose contributions transcend their day-to-day role, including executive directors.	5 years	Relative TSR performance against a group of key communication services comparator companies, subject to a fairness review by the Compensation Committee.	On a change of control, the investment period for all outstanding awards ends, the number of vesting shares are determined at that date and any other rights cease. The number of shares that vest may be reduced to prevent adverse US tax provisions applying. The Compensation Committee may determine that outstanding awards are exchanged for equivalent awards.
Restricted Stock Plan	To encourage a share ownership culture and long-term retention as well as supporting recruitment.	Directors and senior executives of the operating companies and senior executives of the head office.	n/a	Typically three-year retention period.	The vesting period for all outstanding awards is deemed to end. The Compensation Committee may determine that outstanding awards are exchanged for equivalent awards or that outstanding awards are unaffected by the change of control.
Executive Stock Option Plan	To provide a tool to promote retention and recruitment.	Occasional use only to deal with special situations.	3 years	Conditions, if any, are determined at the time of grant of the award.	The number of shares or ADRs is pro-rated down in accordance with the change of control date. The Compensation Committee may determine that outstanding awards are unaffected by the change of control.
Worldwide Ownership Plan	To develop a stronger ownership culture.	Employees with at least two years' employment. Not offered to those participating in other share programs or to executive directors.	n/a	Three-year vesting period.	The number of shares or ADRs is pro-rated down in accordance with the change of control date. The Compensation Committee may determine that outstanding awards are unaffected by the change of control.



Directors' remuneration and other statutory information

The following tables and information are either required by statute or recommended by best practice guidelines. All information in this section has been audited.

Executive directors' emoluments

The value of salary and fees, benefits, annual incentives paid both in cash (STIP) and shares (ESA) and pension contributions for the year ending 31 December 2008 are set out in the table below. The table also shows comparative numbers for 2007. In the case of STIP and ESA, the figures shown are the value of the awards in respect of the year in question but received in the following year. Benefits include such items as healthcare, life assurance and allowances for cars and housing. Both Sir Martin Sorrell and Paul Richardson currently receive part of their remuneration in pounds sterling and part in US dollars. Any US dollar amounts received in 2008 have been converted into sterling at \$1.8524 to £1 (\$2.0019 for 2007). No compensation payments for loss of office have been made during 2008 to any individuals who have been directors of the Company.

	Salary and fees		Other benefits		Short-term incentive plans (annual bonus)		Value of ESA		Total annual remuneration		Pension contributions	
	2008 £000	2007 £000	2008 £000	2007 £000	2008 £000	2007 £000	2008 £000	2007 £000	2008 £000	2007 £000	2008 £000	2007 £000
Executive directors												
Sir Martin Sorrell ^{1,2,3}	1,033	1,003	110	35	1,250	1,650	753	885	3,146	3,573	398	400
Paul Richardson	563	469	89	82	440	481	550	567	1,642	1,599	158	95
Mark Read	275	275	1	1	172	191	230	255	678	722	28	27
Total remuneration	1,871	1,747	200	118	1,862	2,322	1,533	1,707	5,466	5,894	584	522

¹ During 2008 an amount of approximately £7,000 was paid to Sir Martin Sorrell in respect of tax liabilities incurred by him on expenditure on various items considered by the UK Tax authorities as benefits in kind but which the committee consider to be essential to his ability to deliver his services successfully to the Group (£6,000 in 2007).

² Payments of amounts equal to the dividends that would be payable (totalling £859,981) were made to Sir Martin Sorrell in respect of the shares reflected in the UK and US Deferred Stock Units Awards Agreements (which are the agreements that now comprise the awards granted under the Capital Investment Plan in 1995) during 2008 (£731,806 during 2007).

³ The Company has agreed to contribute to the expenses of maintaining an apartment in New York purchased by Sir Martin Sorrell, in lieu of his contractual right to be provided with accommodation whilst working there, as he is required to spend a considerable amount of time in New York due to the size of the Company's business in the US. The Company did not make any such payments in 2008, although it could have been required to do so.

Policy on directors' service contracts, notice periods, termination payments and external appointments

The Company's policy on the duration of directors' service contracts is that no executive directors have fixed-term contracts and the notice period for each is shown in the table below. None of the contracts of head office executive directors contain liquidated damages provisions. There were no payments in 2008 in respect of termination of employment of any executive director.

Executive director	Effective from	Notice period
Sir Martin Sorrell	19 Nov 2008	"At will"
Paul Richardson	19 Nov 2008	12 months
Mark Read	19 Nov 2008	6 months

Executive directors are permitted to serve as non-executives on the boards of other organisations. If the Company is a share owner in that organisation, non-executive fees for these roles are waived. However, if the Company is not a share owner in that organisation, any non-executive fees can be retained by the office holder.



Option awards held by executive directors in the year ended 31 December 2008

These awards were made to Mark Read before he became a director of the Company.

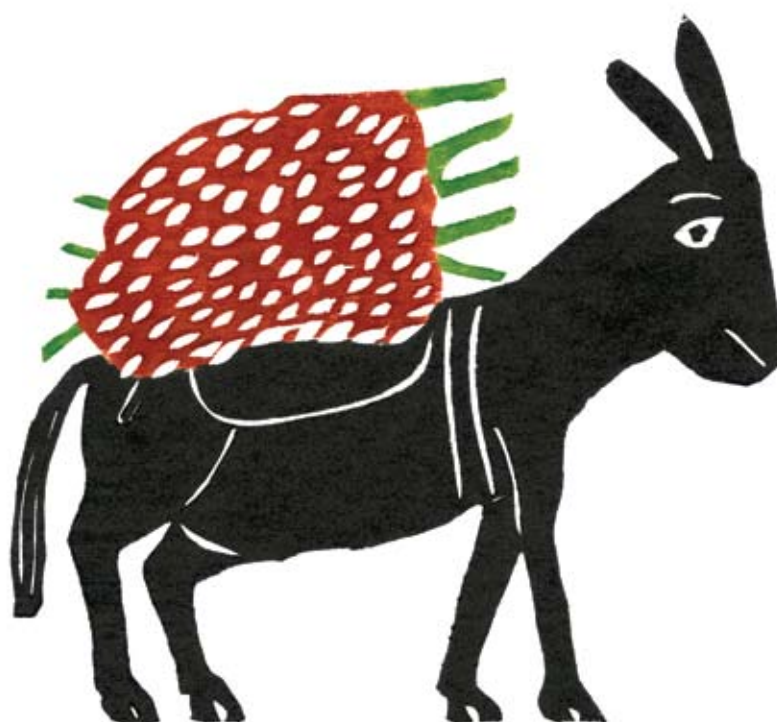
	Grant/ award date	End of exercise period	Exercise price	At 1 Jan 2008 (no. of shares)	Granted/ (lapsed) 2008 (no. of shares)	Exercised 2008 (no. of shares)	At 31 Dec 2008 (no. of shares)	Share price 31 Dec 2008 ¹
Mark Read	17.11.03	17.11.13	£5.595	10,615	–	–	10,615	£4.025
	29.10.04	29.10.14	£5.535	9,879	–	–	9,879	£4.025

¹ Share price 12-month high/low: £6.48/£3.1025.

ESA and Restricted Stock Awards held by executive directors in the year ended 31 December 2008

All awards made under this plan are made on the satisfaction of previous performance conditions and are subject to continuous employment until the vest date. The table does not include grants in relation to the 2008 ESA as these were not made until 9 March 2009.

	Award date	Share plan	Share price on grant date	No. of shares originally awarded	Value on grant day £000	Shares granted in lieu of dividends	Total shares vesting	Vesting date	Share price on vesting	Value on vesting £000
Sir Martin Sorrell	24.02.06	ESA	£6.6775	119,505	798	3,803	123,308	06.03.08	£6.025	743
	23.02.07	ESA	£7.7925	104,587	815			02.03.09	–	–
	03.03.08	ESA	£5.9025	149,851	885			06.03.10	–	–
Paul Richardson	24.02.06	ESA	£6.6775	67,390	450	2,144	69,534	06.03.08	£6.025	419
	08.05.07	ESA	£7.5025	75,441	566			02.03.09	–	–
	03.03.08	ESA	£5.9025	96,094	567			06.03.10	–	–
Mark Read	06.03.05	Special incentive	£6.2300	19,262	120	900	20,162	06.03.08	£6.017	121
	24.02.06	ESA	£6.6775	32,684	218	1,040	33,724	06.03.08	£6.017	203
	16.03.06	Deferred bonus	£6.7950	3,601	24			16.03.10	–	–
	23.02.07	ESA	£7.7925	30,798	240			02.03.09	–	–
	27.04.07	Deferred bonus	£7.4775	9,526	71			16.03.11	–	–
	03.03.08	ESA	£5.9025	43,202	255			06.03.10	–	–





Other Long-Term Incentive Plan awards

Renewed Leadership Equity Acquisition Plan

Name	Grant/award date	Investment and performance period	Number of investment shares	Share price on grant date	Maximum number of matching units at 1 Jan 2008	During 2008			Maximum number of matching units at 31 Dec 2008	Share price on vest /deferral date	Value on vest /deferral date £000
						Granted/ (lapsed) units	Additional dividend shares	Vested or deferred shares			
Sir Martin Sorrell	28.10.04	01.01.04 – 31.12.07	1,032,416	£5.535	4,129,664	(1,445,382)	139,504	2,823,786 ¹	–	£5.865	16,562
	15.12.05	01.01.05 – 31.12.09	203,394	£6.175	1,016,970				1,016,970		
	15.11.06	01.01.06 – 31.12.10	156,536	£6.84	782,680				782,680		
	11.12.07	01.01.07 – 31.12.11	148,742	£6.23	743,710				743,710		
	31.10.08	01.01.08 – 31.12.12	218,596	£3.749		1,092,980			1,092,980		
Paul Richardson	28.10.04	01.01.04 – 31.12.07	30,973	£5.535	123,892	(43,362)	4,185	84,715	–	£5.865	497
	15.12.05	01.01.05 – 31.12.09	81,358	£6.175	406,790				406,790		
	15.11.06	01.01.06 – 31.12.10	66,102	£6.84	330,510				330,510		
	11.12.07	01.01.07 – 31.12.11	59,497	£6.23	297,485				297,485		
	31.10.08	01.01.08 – 31.12.12	109,298	£3.749		546,490			546,490		
Mark Read	15.12.05	01.01.05 – 31.12.09	10,170	£6.175	50,850				50,850		
	15.11.06	01.01.06 – 31.12.10	16,525	£6.84	82,625				82,625		
	11.12.07	01.01.07 – 31.12.11	14,874	£6.23	74,370				74,370		
	31.10.08	01.01.08 – 31.12.12	21,859	£3.749		109,295			109,295		

¹ Sir Martin Sorrell deferred receipt of these shares until 30 November 2011.

The comparator groups used for the various awards under Renewed LEAP are shown in the following table. Where a company delists during the performance period, the Compensation Committee deems this to be a disposal and the proceeds are treated as being reinvested in an index that tracks the TSR of the remaining companies.

Grant year	Comparator group
2004	Aegis, Arbitron, Dentsu, GfK, Grey Advertising, Havas Advertising, Interpublic, Ipsos, Omnicom Group, Publicis, Taylor Nelson Sofres and VNU
2005	Aegis, Arbitron, Dentsu, GfK, Havas Advertising, Interpublic, Ipsos, Omnicom Group, Publicis, Taylor Nelson Sofres and VNU
2006	Aegis, Arbitron, Dentsu, GfK, Havas Advertising, Interpublic, Ipsos, Omnicom Group, Publicis and Taylor Nelson Sofres
2007	Aegis, Arbitron, Dentsu, GfK, Havas Advertising, Interpublic, Ipsos, Omnicom Group, Publicis and Taylor Nelson Sofres
2008	Aegis, Arbitron, Dentsu, GfK, Havas Advertising, Interpublic, Ipsos, Omnicom Group and Publicis

The vesting schedules used for the various awards under Renewed LEAP are shown in the following tables. When actual performance falls between these positions, the match is calculated on a pro-rata basis.

Awards granted in 2004		Awards granted in 2005, 2006 & 2007		Awards granted in 2008	
Rank compared to peer group	Number of matching shares	Rank compared to peer group	Number of matching shares	Rank compared to peer group	Number of matching shares
1	4	1	5	1	5
2	4	2	5	2	5
3	3.6	3	4.5	3	4
4	2.8	4	3.5	4	3
5	2	5	2.5	Median	1.5
6	1.6	Median	1.5	Below median	0
Median	1.2	Below median	0		
Below median	0				



Non-executive directors' remuneration

The fee structure used to compensate the non-executive directors is as follows:

Chairman's fee	£300,000
Fee for Board membership	£60,000
Additional fee for committee membership	£5,000
Additional fee for committee chairmanship	£10,000
Additional fee for senior independent director	£10,000

The fees paid to non-executive directors (NEDs) are normally reviewed every two years and any changes are approved by the Board. As the current fee structure has been effective since 1 January 2007 it was reviewed towards the end of the year against companies of similar size to determine if a new structure should be put in place for 2009. However, in light of the current conditions it was considered that, other than an increase in the fees paid to the head of the Audit Committee (which will increase to £20,000), the existing structure should remain in place for 2009. NEDs receive no payments or benefits other than the fees detailed in the table below.

The table below shows actual fees paid for the year 2008. Pursuant to the reorganisation completed in November 2008, all of the NEDs signed new letters of engagement with WPP plc. The notice period for all non-executive directors is two months.

Director	Date of original contract	Committee membership	Fee for 2008 £000	Fee for 2007 £000
P Lader	26.02.01	Chairman of the Company, chairman of Nomination Committee and member of Compensation Committee	315	313
C Day	25.07.05	Member of Audit Committee	65	62
E Dyson	29.06.99	Member of Compensation Committee, and from 23 July 2008 member of Nomination Committee	66	68
O Gadiesh	28.04.04	Member of Nomination Committee from 12 February 2009	60	60
D Komansky	28.01.03	Member of Nomination Committee until he left the board on 6 February 2009	65	65
C Mackenzie	14.03.00	Member of Nomination Committee until he left the board on 24 June 2008	33	68
S W Morten	02.12.91	Senior independent director and member of Audit Committee until 12 February 2009	75	75
K Naganuma ¹	23.01.04		–	–
L Olayan ²	18.03.05	Member of Nomination Committee from 23 July 2008	–	60
J A Quelch ³	10.07.91		80	70
J Rosen	20.12.04	Chairman of Compensation Committee and member of Audit Committee	75	75
T Shriver	06.08.07	Member of Audit Committee from 12 February 2009	60	24
P Spencer	28.04.04	Chairman of Audit Committee	70	70

¹ Received no fees in 2008.

² Waived fees in 2008.

³ Fee includes £20,415 (£10,016 in 2007) for consulting services. Mr Quelch also received benefits in 2007 with a value of £64,000.



Directors' interests

Directors' interests in the Company's ordinary share capital, all of which were beneficial, are shown in the following table. Save as disclosed in this table and in the report of the Compensation Committee, no director had any interest in any contract of significance with the Group during the year. Each executive director has a technical interest as an employee and potential beneficiary in shares in the Company held under the ESOPs. As at 31 December 2008, the Company's ESOPs held in total 33,167,446 shares in the Company (43,889,384 in 2007). Further details of the long-term incentive plans are given in the notes on pages 134 and 135.

	At 1 Jan 2008 or appointment date	Shares acquired through long-term incentive plan awards in 2008		Movement during 2008 inc. shares purchased in 2008	At 31 Dec 2008 or earlier retirement or resignation	Shares acquired through long-term incentive plan awards in 2009		Other movements since 31 Dec 2008	At 14 Apr 2009
		Vested	(sold)			Vested	(sold)		
C Day	5,240				5,240				5,240
E Dyson	35,000				35,000				35,000
O Gadiesh									
D Komansky ¹	10,000				10,000				
P Lader	11,950				11,950				11,950
C Mackenzie ²	30,000				30,000				
S W Morten	20,000				20,000				20,000
K Naganuma ³									
L Olayan									
J A Quelch	12,000				12,000				12,000
M Read ⁴	28,442	53,886	(22,138)		60,190	32,388	(13,306)		79,272
P W G Richardson ^{4,5}	214,350	154,249	(77,280)		291,319	79,335	(39,747)		330,907
J Rosen	12,000				12,000				12,000
T Shriver				5,000	5,000				5,000
P Spencer	10,000				10,000				10,000
Sir Martin Sorrell ^{4,6,7,8}	13,608,087	2,947,094		(259,825)	16,295,356	109,986			16,405,342

¹ D Komansky retired from the Board on 6 February 2009.

² C Mackenzie retired from the Board on 24 June 2008.

³ K Naganuma is a director of Asatsu-DK, which at 14 April 2009 had interests in 31,295,646 shares representing 2.49% of the issued share capital of the Company.

⁴ Interests include investment shares committed to the 2005, 2006, 2007 and 2008 awards under Renewed LEAP but do not include matching shares from these plans, if any.

⁵ In December 2008, Paul Richardson charged to AIB Group (UK) plc 256,319 shares in the Company as security for certain facilities made available to him by AIB.

⁶ Includes 2,823,786 shares pursuant to the vesting of LEAP 2004-2007, the receipt of which has been deferred until November 2011.

⁷ Includes 3,636,950 shares which originally formed part of the Capital Investment Plan (an award in respect of 4,691,392 shares in total, some of which have been received by Sir Martin Sorrell) and now comprise the UK and US Deferred Stock Units Awards Agreements.

⁸ In December 2005, Sir Martin Sorrell and the trustees of two family life interest trusts of Sir Martin Sorrell charged to AIB Group (UK) plc 3,771,214 and 3,863,147 ordinary shares in the Company respectively as security for facilities. In November 2008, Sir Martin Sorrell charged to AIB a further 232,595 shares as security in relation to the renewal of certain of those facilities. In December 2008, Sir Martin Sorrell gifted 259,825 shares to the JMMRJ Charitable Foundation and those shares were released by AIB from the security held by them.

Jeffrey Rosen

Chairman of the Compensation Committee
on behalf of the Board of Directors of WPP plc

14 April 2009