

# How we're rewarded



Compensation Committee report  
on behalf of the Board



## Dear share owner

**E**conomic pressures on WPP and on marketing services companies in general did not abate during 2009 and are reflected in reduced levels of compensation throughout the Group. These circumstances reinforced the importance of the committee's work to ensure that compensation policies strike a fair balance between peoples' compensation and long-term share owner interests and enable the Company to attract, retain, and motivate the best talent in the business.

### 2009 highlights

The committee's work during 2009 included:

- a review of the total compensation packages of the Group's most senior executives relative to marketplace benchmarks to ensure competitiveness;
- the approval of all stock plan awards (including grants under LEAP III, Performance Share Awards (PSAs), Executive Share Awards (ESAs) and the Leaders and Partners programs);
- the approval of all incentive payments, payable in cash or in shares, for senior executives throughout the Group and setting appropriate targets for the Group chief executive and other executive directors;
- finalising the design of LEAP III after consultation with share owners, and securing approval of the plan at the General Meeting in June 2009; and
- consideration of the potential inclusion of clawback provisions in the Company's share incentive plans.

### What changed in 2009?

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:

- proposals for LEAP III were approved by share owners at the General Meeting in June 2009. LEAP III is similar to the previous LEAP plans but includes (i) weighting of the peer group based on market capitalisation and (ii) a feature under which participants may be invited to purchase investment options as well as investment shares (at the discretion of the Compensation Committee);
- the first awards under LEAP III were granted during the year. Given the general economic conditions, the committee limited the value of the 2009 award to the Group chief executive to 80% of the maximum possible in future years;
- salary increases throughout the Group were given only in exceptional circumstances and no increases were approved for the chairman, the Group chief executive or other executive directors. The fees of non-executive directors also remained unchanged; and
- bonuses in respect of 2009 performance were down for the Group as a whole and for executive directors. In comparison to 2008 (when bonus awards were lower than in 2007), bonus awards were down 52.5% for the chief executive, 31.4% for the Group finance director, and 31.8% for the Group strategy director. A larger percentage than usual of reduced executive bonuses was awarded in shares with a vesting period of three years rather than two years, based on the committee's view that this reflected a better alignment with long-term share owner interests following a challenging year.

As always, I would like to thank my fellow committee members, Philip Lader and Esther Dyson, and also Bud Morten, the former chairman of the committee, for their continued support. 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**

16 April 2010



## Composition of the Compensation Committee

During 2009, 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 143) 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 is not present when matters relating to his own compensation or contracts are 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. Advice was 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. During the year the committee also received advice from Towers Perrin (now Towers Watson), the Committee's appointed compensation advisors, who did not provide any other material services to the Group.

The Compensation 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 LEAP III;
- the policy relating to WPP share ownership by employees;
- pensions and executive benefits;
- changes in accounting, taxation, legal and regulatory practices; and
- governance issues relating to compensation and the role of the Compensation Committee.

## The link between compensation and business objectives

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.

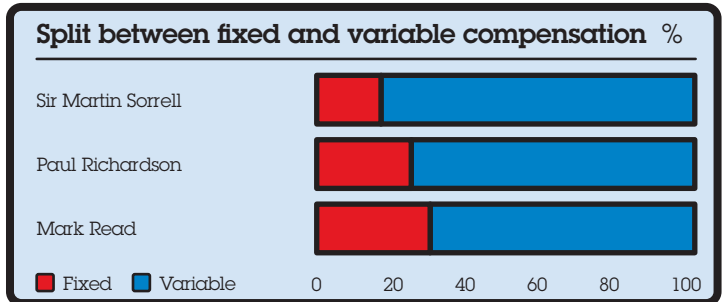
For this reason, the design of all executive compensation at WPP is governed by three guiding principles:

- the need to be competitive;
- being performance-driven; and
- alignment with 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).

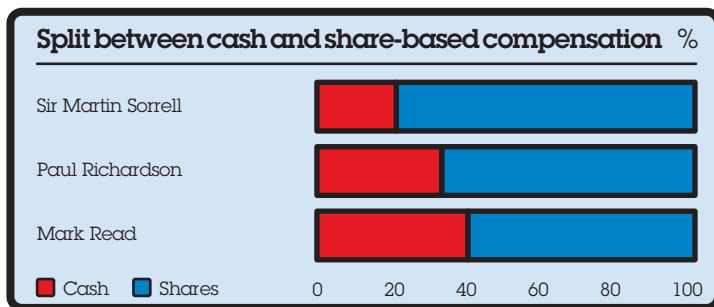
The Compensation Committee regularly reviews fixed and variable compensation against appropriate benchmarks both internal and external to the organisation. When making decisions on executive compensation, the committee is briefed on the treatment of the broader population. This includes, for example, the consideration of budgeted salary increases across the organisation when determining executive salary increases. In addition, the committee approves the design of incentive plans as well as reviewing all the awards made under those incentive plans.

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 has been chosen as the performance measure for both Renewed LEAP and LEAP III as it represents the best objective measure of the success of the Company;
- 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
- the majority of the compensation package of executive directors is paid in the form of shares (the value of ESAs and the expected value of awards under both Renewed LEAP and LEAP III).



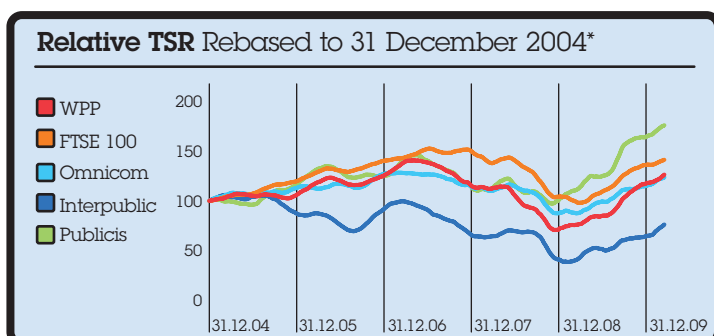
### The role of the Compensation Committee in improving risk management

The Compensation Committee is always conscious of ensuring that the decisions that it makes and the compensation systems the Group has in place serve to improve the management of risk in the Group. In particular:

- most Compensation Committee meetings are held within 24 hours of Board meetings, at which the committee members are usually given a comprehensive briefing on issues and risks facing each of the business units as well as the Group as a whole;
- one of the single biggest areas of risk for WPP is attracting and retaining key talent. Incentive plans are consequently designed to be attractive in the marketplace and provide as much retention value as possible such as paying part of annual incentives in shares that normally vest two years after grant and having a five-year performance period for LEAP; and
- clawback provisions are to be written into the key share incentive plans (i.e. those other than the all employee schemes) to provide the Compensation Committee with the right to cancel or reduce unvested share awards should a participant's action justify it.

### TSR performance

The Company's TSR for the period from 31 December 2004 to April 2010 is shown on the graph below. The FTSE 100 is the Index the Board considers most relevant for the purpose of comparison as WPP is a mid-ranking FTSE 100 company. WPP considers its key competitors to be Omnicom, Interpublic and Publicis and it is the performance of these companies with which the Company's own performance is most commonly compared. For that reason, values for those three companies are also displayed.



\* 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 both in cash (payable immediately) and shares which vest in the medium-term of usually after 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.

Compensation packages for the senior people at WPP are normally reviewed every 24 months. These reviews are undertaken within the context of:

- 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 Compensation Committee looks at similar roles in competitor organisations and, if appropriate, general industry data for organisations of comparable size and complexity.

#### 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

As reported last year, fees of £100,000 are paid to each of the executive directors in respect of their directorships of WPP plc. This was not an increase in compensation and in each case salary was reduced by £100,000 when the fees were introduced.

Sir Martin Sorrell's base salary was last increased on 1 January 2007. It was due to be reviewed in November 2008 with any change to be implemented from January 2009; however, Sir Martin informed the Compensation Committee that an increase would not be appropriate in light of current business conditions. His salary and directors' fees therefore remained unchanged. Similarly no increase to base salary was proposed for either Paul Richardson or Mark Read.

#### 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 139.

The form and level of Company-sponsored retirement programs vary depending on historical practices and local

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market considerations. The level of retirement benefits is regularly considered when reviewing total executive remuneration levels.

### Short-term incentives

Each year WPP sets challenging 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 2009 were down compared with 2008. 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 PSAs 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 ESAs, the portion of the annual bonus paid in shares which normally vest a further two years after grant (however, the 2009 award will vest three years after grant).

Consistent with previous years, for 2009 each executive director was measured in the three areas shown below:

#### ■ Group financial objectives

Examples of measures include margin improvement and operating profit growth.

#### ■ Individual strategic objectives

Examples of measures include relative financial performance, advancing CSR strategy and improving back office synergies.

#### ■ Key business achievements

Examples of measures 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 2009 to the levels of short-term incentive payouts that would be payable 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 achievements	
	% of target	Cash amount £000	% of target	Cash amount £000	% of target	Cash amount £000
Sir Martin Sorrell	0	0	100	333	71	236
Paul Richardson	0	0	105	176	75	126
Mark Read	0	0	125	68	91	49

This resulted in the following bonus payments in respect of 2009, 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	57	67	100	38
Paul Richardson	80	120	48	100	133	60
Mark Read	50	75	36	67	100	48

However, the Compensation Committee reapportioned some of the cash into stock for Sir Martin Sorrell and Paul Richardson, and extended the vesting period to three years. The final distribution was therefore as follows:

	Bonus percentage paid in cash			Bonus percentage paid in shares (ESA)		
	Target	Max	Actual	Target	Max	Actual
Sir Martin Sorrell	100	200	41	67	100	55
Paul Richardson	80	120	46	100	133	62
Mark Read	50	75	36	67	100	48

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 2009.

### Long-term incentives

Following the policy review in 2008, the Compensation Committee, during 2009, continued to believe that the incentive plans remained appropriate in terms of grant levels, performance criteria and vesting schedules. However, this year's review will need to take into account more intense competitive pressures, fuelled by the general economic recovery and competitors' behaviour. None of WPP's incentive plans are pensionable and, other than stock options, all awards will be satisfied out of WPP shares held in treasury or one of the Company's employee share ownership plans (ESOPs).

### Leadership Equity Acquisition Plan III (LEAP III)

At the General Meeting in June the Company obtained the approval of share owners for LEAP III and subsequently awards were made to 13 of the Group's key executives. Details of these awards can be found on page 141.

Under LEAP III, participants have to commit and retain investments in WPP. Such investments are in the form of WPP shares (investment shares) and, at the invitation of the Compensation Committee, also in the form of options over WPP shares purchased from an independent third party (investment options). Such investments provide participants



with 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 and compared with a peer group weighted by market capitalisation.

Following the end of a performance period, 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. This is because relative TSR may not always reflect the true performance of the Company. 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 premiums).

#### Renewed Leadership Equity Acquisition Plan (Renewed LEAP)

No further awards were made under Renewed LEAP and no awards vested in 2009.

The awards made in 2004 had a four-year performance period and vested in 2008. Awards made between 2005 and 2008 all had five-year performance periods. The 2005 award vested in March 2010 with a match of 2.50. The remaining awards will, subject to satisfaction of performance conditions, vest between 2011 and 2013.

As with LEAP III, the Compensation Committee is required to perform a 'fairness review' before any awards can vest. When performing this fairness review prior to vesting of the 2005 award there were two particular factors that the committee felt had a significant influence on the results, namely:

- the existence of a 'bid premium' in the ending share price of one of WPP's peer group companies (Aegis); and
- the dramatic swings in currency, particularly the fall in the value of sterling towards the end of the performance period.

It should be noted that both these factors were also present when the previous award vested in March 2008, however at that time sterling had appreciated sharply towards the end of that period. On that occasion the committee adjusted for both factors with the net result that the number of matching shares was reduced from 3.27 to 2.60. On this occasion the committee again adjusted for both factors with the net result that the number of matching shares was increased from 1.64 to 2.50.

The committee discussed both these points and the appropriate treatment of delisted companies (which is outlined on page 141) with the largest share owners and the share owner advisory bodies before any decision was made.

#### Restricted Stock Plan

Other than to satisfy awards under the short-term plans (ESAs and PSAs), 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 1,200 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

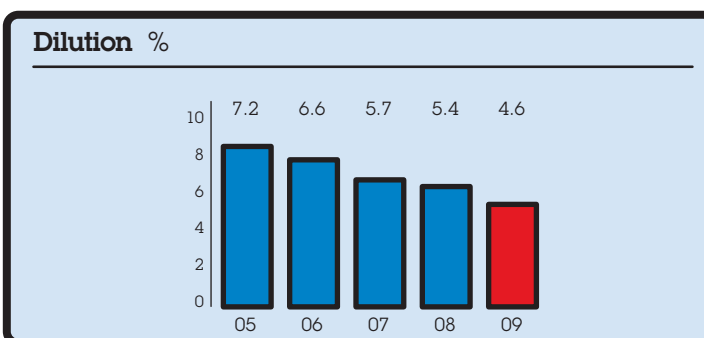
In order to attract or retain key talent it is sometimes necessary to make special grants of options. Only one grant was made to a single individual in 2009; 15 grants were made in 2008. None of these grants were to executive directors. However, the Compensation Committee is conscious that stock options remain a powerful motivator and, in certain circumstances, it might be necessary to grant to a broader population under the Executive Stock Option Plan.

#### 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 2009, options under this plan had been granted to approximately 84,500 employees over 38.4 million ordinary shares since March 1997. Any executive who participates in one of the other share plans described above does not receive grants under this plan.

#### Share incentive dilution for 2005 to 2009

The share incentive dilution level, measured on a 10-year rolling basis, was below 5% at 16 April 2010. It is intended that awards under LEAP III, Renewed LEAP, the ESAs, the PSAs and the Restricted Stock Plan will all be satisfied with purchased shares held either in the ESOPs or in treasury.



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### Key elements of short- and long-term remuneration

	Objective	Participation	Performance period	Conditions	Change of control
<b>Short-term</b>					
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- or three-year retention period.	See note below for Restricted Stock Plan.
<b>Long-term</b>					
LEAP III and Renewed LEAP	To incentivise long-term performance by comparing WPP's TSR against the TSR of key comparators (which are weighted by market capitalisation in the case of LEAP III), 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, (weighted by market capitalisation in the case of LEAP III), 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 is determined at that date (pro-rated in the case of LEAP III) 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 head office executives.	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 (ESAs) and pension contributions for the year ending 31 December 2009 are set out in the table below. The table also shows comparative numbers for 2008. In the case of STIP and ESAs, 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, spouse travel 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 2009 have been converted into sterling at \$1.5667 to £1 (\$1.8524 for 2008). No compensation payments for loss of office have been made during 2009 to any individuals who have been directors of the Company.

	Salary and fees		Other benefits		Short-term incentive plans (annual bonus)		Value of ESAs		Total annual remuneration		Pension contributions	
	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000	2009 £000	2008 £000
<b>Executive directors</b>												
Sir Martin Sorrell <sup>1,2</sup>	1,007	1,033	345	110	406	1,250	546	753	2,304	3,146	401	398
Paul Richardson	630	563	101	89	290	440	389	550	1,410	1,642	189	158
Mark Reaid	325	275	1	1	117	172	157	230	600	678	33	28
<b>Total remuneration</b>	<b>1,962</b>	<b>1,871</b>	<b>447</b>	<b>200</b>	<b>813</b>	<b>1,862</b>	<b>1,092</b>	<b>1,533</b>	<b>4,314</b>	<b>5,466</b>	<b>623</b>	<b>584</b>

<sup>1</sup> During 2009 an amount of £8,323 was paid in respect of tax liabilities 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 (£7,000 in 2008).

<sup>2</sup> Payments of amounts equal to the dividends that would be payable (totalling £856,687) were made to Sir Martin Sorrell during 2009 (£859,981 during 2008) 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).

## 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 2009 in respect of termination of employment of any executive director. Sir Martin's service contract may be terminated by the Company or by Sir Martin without, in either case, notice needing to be given – a so called 'contract at will'. This means that the Company may terminate Sir Martin's service contract without the need to pay compensation for any notice period.

Executive director	Effective from	Notice period
Sir Martin Sorrell	19 Nov 2008	'At will'
Paul Richardson	19 Nov 2008	12 months
Mark Reaid	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.

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Directors' remuneration

### Option awards held by executive directors in the year ended 31 December 2009

These options were granted to Mark Read prior to him becoming a director of the Company.

	Grant/ award date	End of exercise period	Exercise price	At 1 Jan 2009 (no. of shares)	Granted/ (lapsed) 2009 (no. of shares)	Exercised 2009 (no. of shares)	At 31 Dec 2009 (no. of shares)	Share price 31 Dec 2009 <sup>1</sup>
Mark Read	17.11.03	17.11.13	£5.595	10,615	–	–	10,615	£6.095
	29.10.04	29.10.14	£5.535	9,879	–	–	9,879	£6.095

<sup>1</sup> Share price 12-month high/low: £6.145/£3.53.

### ESA and Restricted Stock Awards held by executive directors in the year ended 31 December 2009

All awards made under this plan are done so 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 2009 ESA as these were not granted at the time of going to print.

		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	2006 ESA Award	23.02.07	ESA	£7.7925	104,587	815	5,399	109,986	06.03.09	£3.93933	433
	2007 ESA Award	03.03.08	ESA	£5.9025	149,851	885	–	–	06.03.10	–	–
	2008 ESA Award	09.03.09	ESA	£3.83625	196,285	753	–	–	06.03.11	–	–
Paul Richardson	2006 ESA Award	08.05.07	ESA	£7.5025	75,441	566	3,894	79,335	06.03.09	£3.93933	313
	2007 ESA Award	03.03.08	ESA	£5.9025	96,094	567	–	–	06.03.10	–	–
	2008 ESA Award	09.03.09	ESA	£3.83625	143,369	550	–	–	06.03.11	–	–
Mark Read	Def Bonus 2005	16.03.06	Deferred bonus	£6.7950	3,601	24	–	–	16.03.10	–	–
	2006 ESA Award	23.02.07	ESA	£7.7925	30,798	240	1,590	32,388	06.03.09	£3.93933	128
	Def Bonus 2006	27.04.07	Deferred bonus	£7.4775	9,526	71	–	–	16.03.11	–	–
	2007 ESA Award	03.03.08	ESA	£5.9025	43,202	255	–	–	06.03.10	–	–
	2008 ESA Award	09.03.09	ESA	£3.83625	59,954	230	–	–	06.03.11	–	–

### 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 2009	During 2009			Maximum number of matching units at 31 Dec 2009	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	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	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		



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 2009	During 2009			Maximum number of matching units at 31 Dec 2009	Share price on vest/deferral date	Value on vest/deferral date £000
						Granted/ (lapsed) units	Additional dividend shares	Vested or deferred shares			
Mark Reard	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		

The comparator groups used for the various awards under Renewed LEAP are shown in the following table. Where a company that delists during a performance period has an undisturbed share price for less than 40% of that performance period, the Compensation Committee would usually exclude that company from the comparator group for the award in question. Otherwise, the company would usually be deemed to be disposed of and the proceeds reinvested in an index that tracks the TSR of the remaining comparator companies.

Grant year	Comparator group
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 2005, 2006 and 2007		Awards granted in 2008	
Rank compared to peer group	Number of matching shares	Rank compared to peer group	Number of matching shares
1	5	1	5
2	5	2	5
3	4.5	3	4
4	3.5	4	3
5	2.5	Mediam	1.5
Mediam	1.5	Below median	0
Below median	0		

### Leadership Equity Acquisition Plan III

Name	Grant/award date	Investment and performance period	Number of investment shares	Number of investment options	Share price on grant date	Maximum number of matching units at 1 Jan 2009	During 2009			Maximum number of matching units at 31 Dec 2009	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	15.12.09	01.01.09 – 31.12.13	365,878	–	£6.1025	1,829,390				1,829,390		
Paul Richardson	15.12.09	01.01.09 – 31.12.13	103,423	–	£6.1025	517,115				517,115		
Mark Reard	15.12.09	01.01.09 – 31.12.13	27,406	–	£6.1025	137,030				137,030		

The comparator group used for the award under LEAP III is shown in the following table. Where a company that delists during a performance period has an undisturbed share price for less than 40% of that performance period, the Compensation Committee would usually exclude that company from the comparator group for the award in question. Otherwise, the company would usually be deemed to be disposed of and the proceeds reinvested in a market capitalisation weighted index that tracks the TSR of the remaining comparator companies.

## How we're rewarded

Directors' remuneration

Grant year	Comparator group
2009	Aegis, Arbitron, Dentsu, GfK, Havas, Interpublic, Ipsos, Omnicom Group and Publicis

The vesting schedule used for the award under LEAP III is shown in the following table. When actual performance is not exactly equal to a percentile in the table below, but is more than 50% and less than 90%, the percentage of Matching Shares will be determined on a straight-line basis between the relevant figures.

### Awards granted in 2009

Aggregate market capitalisation percentile	Match
90th percentile	500%
80th percentile	420%
70th percentile	330%
60th percentile	240%
50th percentile	150%
40th percentile	0%
30th percentile	0%
20th percentile	0%
10th percentile	0%
Bottom	0%

## Non-executive directors' remuneration

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

- Chairman's fee: £300,000
- Fee for Board membership: £60,000
- Additional fee for committee membership: £5,000
- Additional fee for chairmanship of compensation and nomination committees: £10,000
- Additional fee for chairmanship of audit committee: £20,000
- Additional fee for senior independent director: £10,000

The fees paid to NEDs are normally reviewed every two years and any changes are approved by the Board. Other than the increase in fees paid to the chairman of the audit committee, the current fee levels have been effective since 1 January 2007. However, in light of the current conditions, it was determined that 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 2009. 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 NEDs is two months.

Director	Date of original contract	Expiry of current contract	Remaining period until re-election to the Board <sup>1</sup>	Committee membership	Fee for 2009 £000	Fee for 2008 £000
P Lader	26.02.01	05.10.11	1 year	Chairman of the Company, chairman of Nomination Committee and member of Compensation Committee	315	315
C Day	25.07.05	05.10.11	3 years	Member of Audit Committee	65	65
E Dyson	29.06.99	05.10.11	1 year	Member of Compensation Committee and member of Nomination Committee	70	66
O Gadiesh	28.04.04	05.10.11	2 years	Member of Nomination Committee from 12 February 2009	65	60
D Komansky	28.01.03	n/a	n/a	Member of Nomination Committee until he retired on 6 February 2009	–	65
S W Morten	02.12.91	05.10.11	1 year	Senior independent director and member of Audit Committee until 12 February 2009	71	75
K Naganuma <sup>2</sup>	23.01.04	05.10.11	2 years		–	–
L Olaycan <sup>3</sup>	18.03.05	05.10.11	3 years	Member of Nomination Committee	–	–
J A Quelch <sup>4</sup>	10.07.91	05.10.11	1 year		85	80



Director	Date of original contract	Expiry of current contract	Remaining period until re-election to the Board <sup>1</sup>	Committee membership	Fee for 2009 £000	Fee for 2008 £000
J Rosen	20.12.04	05.10.11	3 years	Chairman of Compensation Committee and member of Audit Committee	75	75
T Shriver	06.08.07	05.10.11	2 years	Member of Audit Committee from 12 February 2009	65	60
P Spencer	28.04.04	05.10.11	2 years	Chairman of Audit Committee	80	70

<sup>1</sup> Displays the unexpired term as at 30 June 2009 (being just after the 2009 Annual General Meeting).

<sup>2</sup> Received no fees in 2008 and 2009.

<sup>3</sup> Waived fees in 2008 and 2009.

<sup>4</sup> Fee includes £24,515 (£20,415 in 2008) for consulting services.

## 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 2009, the Company's ESOPs (which are entirely independent of the Company and which have waived their rights to receive dividends) held in total 24,941,529 shares in the Company (33,167,446 in 2008). Further details of the long-term incentive plans are given in the notes on pages 140 and 143.

	At 1 Jan 2009 or appointment date	Shares acquired through long-term incentive plan awards in 2009		Movement during 2009 inc. shares purchased in 2009	At 31 Dec 2009 or earlier retirement or resignation	Shares acquired through long-term incentive plan awards in 2010		Other movements since 31 Dec 2009		At 16 Apr 2010
		Vested	(sold)			Vested	(sold)	31 Dec 2009	16 Apr 2010	
C Day	5,240	–	–	–	5,240	–	–	–	–	5,240
E Dyson	35,000	–	–	–	35,000	–	–	–	–	35,000
O Gadiesh	–	–	–	–	–	–	–	–	–	–
D Komansky <sup>1</sup>	10,000	–	–	–	10,000	–	–	–	–	–
P Lader	11,950	–	–	–	11,950	–	–	–	–	11,950
S W Morten	20,000	–	–	–	20,000	–	–	–	–	20,000
K Naganuma <sup>2</sup>	–	–	–	–	–	–	–	–	–	–
L Olaryan	–	–	–	–	–	–	–	–	–	–
J A Quelch	12,000	–	–	–	12,000	–	–	–	–	12,000
M Read <sup>3</sup>	60,190	32,388	(13,306)	–	79,272	71,677	(56,698)	2,875	–	97,126
P W G Richardson <sup>3,4</sup>	291,319	79,335	(39,747)	–	330,907	327,778	(164,219)	–	–	494,466
J Rosen	12,000	–	–	–	12,000	–	–	–	–	12,000
T Shriver	5,000	–	–	–	5,000	–	–	5,000	–	10,000
P Spencer	10,000	–	–	–	10,000	–	–	–	–	10,000
Sir Martin Sorrell <sup>3,5,6,7</sup>	16,295,356	109,986	–	–	16,405,342	722,678	(122,536)	(147,883)	–	16,857,601

<sup>1</sup> D Komansky retired from the Board on 6 February 2009.

<sup>2</sup> K Naganuma is a director of Asatsu-DK, which at 16 April 2010 had interests in 31,295,646 shares representing 2.49% of the issued share capital of the Company.

<sup>3</sup> Interests include investment shares committed to the 2006, 2007 and 2008 awards under Renewed LEAP and the 2009 award under LEAP III but do not include matching shares from these plans, if any.

<sup>4</sup> 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.

<sup>5</sup> Includes 3,386,031 shares pursuant to the vesting of the 2004 and 2005 awards granted under Renewed LEAP. The receipt of these awards have been deferred until November 2011 and 2012 respectively.

<sup>6</sup> 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 comprised the UK and US Deferred Stock Units Awards Agreements.

<sup>7</sup> 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. In March 2010, Sir Martin Sorrell gifted 147,883 shares to the JMMRJ Charitable Foundation.

### Jeffrey Rosen

Chairman of the Compensation Committee  
on behalf of the Board of Directors of WPP plc  
16 April 2010