WPP Worldwide Ownership Plan
Exercise Guide
Introduction

The WPP Worldwide Ownership Plan gives you the opportunity to buy WPP stock at a price that was fixed when you received your stock option grant.

This guide explains the choices open to you when the stock options that you have been granted through the Plan become exercisable. It describes what those choices are, and the facts you should consider when making your decision.

Throughout this guide we use the words ‘stock’, ‘stock options’ and ‘share owners’. You may be more familiar with the words ‘share’, ‘share options’ and ‘stockholders’. The words have the same meaning.

Important notes

1. References to ‘tax’ in this booklet may also include any employee social charges.

2. Please remember that the price of stock can rise and fall and you may not recover the amount originally invested when you exercise your stock options and retain stock. If you are in any doubt as to which decision to make, you should seek advice from a qualified financial adviser.

3. If your option was granted under the UK HM Revenue and Customs-approved part of the Plan (and your option certificate will tell you this), you should note that where this document differs from the provisions set out in the WPP Worldwide Ownership Plan Rules and the relevant UK legislation, the Plan Rules and legislation will take precedence.

4. Warning for participants in Hong Kong: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the option. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

Using the Worldwide Ownership Plan website

The Worldwide Ownership Plan has a dedicated site on the WPP Group intranet containing important information and useful data for Plan participants.

This user-friendly website enables you to review and manage your stock option portfolio online at any time. You can download option certificates and statements, find FAQs, check the exercise timetable and your exercise information, and calculate theoretical option values. You may also receive important requests and reminders from your Plan Manager relating to the administration of the Plan.

Go to insidewpp.com/compensation and follow the link to Worldwide Ownership Plan.
Dear Colleague

As I’m sure you remember, some time ago you were granted WPP stock options through the WPP Worldwide Ownership Plan. You are now eligible to exercise your option – and, if you choose, become a share owner in WPP.

This guide details all the choices available to you, and how to go about making a choice.

WPP is the only major company of its kind to extend stock options to all its people worldwide. We do so for two very simple reasons.

First, it brings home to us the realities of ownership: not just rewards but also the responsibilities. And secondly, it encourages people, wherever it is in the clear interests of our clients, to work in partnership across the Group.

Since everyone in the Group is a potential share owner, the continued achievement of these aims will ensure that everyone continues to benefit. I hope you feel proud of the progress that the Group has made. You certainly should. We earn our living by adding value to our clients’ businesses: by applying to them the talents and imagination of our people. Our continuing progress is clear evidence that we are succeeding.

So it is entirely right that you are able to share in this achievement. I am delighted for you.

That you should feel rewarded in your career, both tangibly and intangibly, is as important to us as client satisfaction.

Sir Martin Sorrell
Group Chief Executive
Key terms explained

> **ADSs**: American Depository Shares quoted on NASDAQ in New York. These are also known as ADRs.

> **Broker’s fee**: The fee charged by WPP’s stockbroker for handling the exercise of your option. This is currently £7.50 (or approximately $12) per option exercised. Please note this fee is subject to change without notice.

> **Eligible employee**: An employee who has been with a WPP company for more than two years and is employed by a WPP wholly-owned company at the Grant Date and does not receive awards under another WPP stock program (such as the WPP Leaders, Partners or High Potential Group programs).

> **Exercise**: The name given to the process of converting your stock option into WPP stock, known as ‘exercising your stock option’.

> **Exercise choices**: The two choices open to you if you wish to exercise your stock options.

> **Exercise Date**: The day you exercise your stock option.

> **Exercise period**: The length of time in which you may exercise your option, usually seven years following the Vest Date. There are some country-specific exercise periods and you should check your option certificate for the expiry date on the option.

> **Exercise price**: The cost you have to pay WPP for exercising your stock option, i.e. the amount of stock x fixed option price.

> **Fixed option price**: The stock price fixed at the Grant Date.

> **Gain**: The difference between the fixed option price and the WPP market price, less any exercise costs

> **Grant**: The name given to the process of awarding stock options.

> **Grant Date**: The day stock options are given to eligible employees.

> **Life of the option**: The length of time your option is valid, usually a period of 10 years from the Grant Date, although this varies in some countries. If you leave WPP, the life of the option is shortened.

> **Market price**: The current price of one WPP share as quoted on the London Stock Exchange or one ADS as quoted on NASDAQ.

> **Ordinary shares**: WPP stock quoted on the London Stock Exchange.

> **Notice of Exercise form**: The form on which you indicate your exercise choice.

> **Plan Manager**: The person who administers the Plan at a local level. Your company financial controller/director will be able to direct you to your Plan Manager.

> **Stock option**: A right to buy WPP stock at a future time and at a fixed price.

> **Vest Date**: The date your stock option becomes exercisable. This usually occurs on the third anniversary of the Grant Date.

> **WPP stock**: WPP shares traded on the London Stock Exchange in UK sterling; and WPP ADSs traded on NASDAQ in New York in US dollars. The formula for converting between these two stock types is: one ADS = five ordinary shares.
Your choices

Retaining your options
You can decide not to exercise your stock option now. You can keep your stock options for up to 10 years from the date they were granted, unless there is a country-specific curtailment of the plan. You do not have to pay anything until you exercise and, as long as you remain employed within the WPP Group, your options will remain active for their remaining life.

If you decide to exercise your stock options
You have two choices regarding the exercise of your stock options. You will have to pay towards the cost of exercise – the level of cost depends on which choice you make. The choices are summarised below and explained in detail on page 4.

Tax liability
In most countries, the exercising of a stock option is subject to taxation. Your Plan Manager should be able to confirm if tax is payable.

Important note: You can only choose one of the following two exercise methods when exercising your stock options. Whichever method you choose will apply to all the stock options you decide to exercise.

Choice 1
‘Cashless’ stock sale: you sell all the stock and take the gain in cash
You can exercise your stock option and sell your stock, through Capita Asset Services, in a transaction that will give you the sale proceeds in cash. Any taxes will be automatically deducted before you receive the cash, as will the broker’s fee of £7.50 (approximately US$12). Please note the broker’s fee is subject to change without notice.

Choice 2
Self-funded stock purchase: you use your own money to buy the stock at the fixed option price and become a WPP share owner
You can exercise your stock option and retain all the stock from your option. The cost to you is calculated by multiplying the amount of stock you have been granted by the fixed option price. You will have to pay these costs and any taxes due before you receive a stock certificate for the stock you have purchased.

When you are making your choice, you should consider:
> The price of WPP stock can rise and fall.
> Local tax situations vary, but generally gains made through a stock option exercise are taxable. Your Plan Manager should be able to confirm whether tax is payable.
> The WPP stock option price is fixed in pounds sterling, with the exception of the Americas where the stock option price is fixed in US dollars. So exchange rates could also affect the value of your stock options.
> The exercise choice you make will apply to all the stock options you decide to exercise. You cannot choose more than one of the two exercise methods.

If you leave WPP
Generally, if you resign or are dismissed, you lose the right to exercise your stock options.

If you have left your employment by reason of injury, disability, normal retirement, or the company or business you work for leaves the WPP Group, any unvested options vest immediately.

> For options granted after 19 November 2008 you must exercise your options within six months after leaving your employment. The number of options that become exercisable may be pro-rated.
> For options granted between 1 January 2006 and 18 November 2008 you may exercise your options within six months after leaving your employment. The number of options that become exercisable may be pro-rated.
> For options granted before 1 January 2006 you have 12 months from your leaving date or 42 months from the Grant Date, whichever gives you the longest time to exercise the options.
The exercise processes

If you decide to exercise your stock options, the processes relating to choices 1 and 2 are explained here. Remember, the choice you make will apply to all the stock options you exercise.

Choice 1: ‘Cashless’ stock sale
> You authorise Capita Asset Services to sell all the WPP stock and to deduct the broker’s fee of £7.50 (approximately US$12) and any tax for which you are liable. Please note the broker’s fee is subject to change without notice. The exercise price and fee will be retained by Capita Asset Services; tax will be paid to your employer for payment to the tax authorities. You receive the balance of the gain in cash.

> The WPP stock will be sold for the best price Capita Asset Services can obtain in the market on the Exercise Date. You cannot specify a price below which you do not want the stock to be sold.

> You authorise Capita Asset Services to convert any proceeds of sale into a currency determined by Capita Asset Services.

> Your employer will pay the gain to you once any tax has been paid.

Choice 2: Self-funded stock purchase
> You will need to raise a cheque or banker's draft for the total cost of the stock, in sterling when buying ordinary shares or US dollars when buying ADSs, made payable to WPP plc. In some limited situations, it may be possible to make this payment to your employer in your local currency and for them to transfer the sterling or dollars to WPP. Please contact your Plan Manager for details.

> There is no charge on the exercise of your stock option, other than any payment you may have to make to your bank for a sterling cheque or banker's draft.

> Your employer will notify you of the amount of tax (if any) you need to pay them. If you do not pay this tax to your employer within a reasonable time, you authorise WPP to sell your stock. A brokerage fee will be retained, tax will be paid to your employer for payment to the tax authorities and the balance paid to you.

> If you are resident in the Americas, you will receive WPP ADSs. Residents of all other countries will receive ordinary (UK) shares. Any dividends on ordinary (UK) shares are paid in pounds sterling and any dividends on ADSs are paid in US dollars. You will be liable for any bank charges involved in converting these dividend payments into other currencies.
Your questions answered

Should I exercise my stock options now?
You must make your own decision; no one at WPP can advise you what to do. If you want advice, you should arrange independent advice through your own bank or financial adviser.

What should I do if I transfer to another company within the WPP Group?
You will still be able to exercise your stock options if you move within the WPP Group. This also applies if you transfer from one country to another. However, you will be granted stock options only if you are employed by a company that is wholly owned by WPP at the time of the grant.

How do I start the exercise process?
Your Plan Manager will notify you when an exercise date is approaching. You then need to complete a Notice of Exercise form, either in hard copy or online via the Plan website which can be accessed via insidewpp.com/compensation and submit this to your Plan Manager.

What happens to my options if I leave WPP?
If you have left your employment by reason of injury, disability, normal retirement, or the company or business you work for leaves the WPP Group, any unvested options vest immediately.

How often can I exercise my stock options?
There are at least three exercise opportunities a year. Check the Plan website which can be accessed via insidewpp.com/compensation for Exercise Dates.

What happens if I change my mind after I have submitted my Notice of Exercise form online?
Contact your Plan Manager. You will not be able to change your decision once your Plan Manager has confirmed online those who will be exercising their options.

How many stock options can I exercise?
You can exercise up to the total number of stock options granted to you once they have vested.

What happens if I try to complete my Notice of Exercise form after the exercise window has closed?
If you want to exercise your stock options and your Plan Manager has already confirmed online those who will be exercising their options, you will have to wait until the next Exercise Date.

How long will it be before I receive my money or WPP stock?
After the Exercise Date, the brokers, Capita Asset Services, will send the sale proceeds (less brokerage fee) to your employer within 14 days.

Your employer will normally pass the proceeds onto you via payroll. In most countries, tax will be due on the exercise, and your employing company will either deduct this through payroll or, if you have purchased and retained your shares, collect the tax money directly from you.

If you have purchased ADRS, these will be deposited directly into a DRS Account with Citibank, New York. This account will be opened up on your behalf. A statement will be sent to you confirming the shares deposited. This statement will not be released to you until your employing company confirms that your taxes have been paid.

If you have purchased Ordinary Shares, a paper certificate will be issued. The certificate will be sent to your Plan Manager. These will be released to you once your taxes (if applicable) have been paid.

How can I calculate the approximate value of my stock option if I exercised it and sold the WPP stock?
To establish the nominal value of your option you can use the Quick Calc feature on the Plan website which can be accessed as follows: go to insidewpp.com/compensation, click through to Worldwide Ownership Plan and then click on ‘view your options’. However, be aware that the market price can go up or down and the real value of your option can only be calculated at the point at which you exercise your option. Please also remember that you will have to pay the exercise price, broker’s fee and, in most countries, tax must be paid upon the exercise of an option.
Where can I check WPP’s stock price?
WPP stock is traded on the following stock exchanges:
> The London Stock Exchange, in UK sterling.
> NASDAQ in New York, in US dollars in the form of American Depository Shares (ADSs).

You can find WPP’s current stock price online, via the ‘Check stock price’ function on the Plan website, and in the financial market section of newspapers that list WPP’s stock exchanges.

Can I receive stock in ADS form?
Yes. People in the Americas will receive stock in ADS form. Everyone else will receive ordinary shares that are traded only on the London Stock Exchange.

Will I be taxed on any profit I make when I exercise my stock options?
This depends on local taxation systems at the time you exercise. No one in WPP can give you advice on your personal tax position. If you want personal tax advice, you should arrange this through your accountant or financial adviser. Your Plan Manager will be able to explain in general terms how the exercise of stock options is taxed under your local taxation system.

Can the stock be issued in someone else’s name?
No, stock is issued in the participant’s full legal name only.

What if I have lost my option certificate?
Your right to exercise your stock options is not affected. You can download copies of your option certificates from the Plan website.
Administration and contacts

Company Plan Managers
Every wholly-owned WPP company has at least one Plan Manager who administers the Plan and exercise process at a local level. If you are unsure who this is, please ask your company financial manager. Your company Plan Manager should be able to answer any questions relating to the exercise process.

The WPP Worldwide Ownership Plan Manager is based at:
WPP
27 Farm Street
London W1J 5RJ
UK
Tel: +44 (0) 20 7408 2204
Fax: +44 (0) 20 7408 1241

The overall Plan is administered by:
Handle With Care Limited
Channing House
Eagle Way
Sowton
Exeter
Devon EX2 7HY
UK
Tel: +44 (0) 1392 445995

Online information
Plan information, including translated documents and interactive services in key languages, is available on the WPP Group intranet. Go to insidewpp.com/compensation and follow the link to Worldwide Ownership Plan.

Please note
This guide is intended to provide a reasonably thorough explanation of the exercise process for the WPP Worldwide Ownership Plan, using non-technical language where possible. If this document differs from the provisions set out in the WPP Worldwide Ownership Plan Rules, the Plan Rules will take precedence. Also, if your option was granted under the UK HM Revenue and Customs-approved part of the Plan (and your option certificate will tell you this), if this document differs from the provisions set out in the relevant UK legislation, the UK legislation will take precedence.