

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or about what action you should take, you should immediately seek your own financial advice from your stockbroker or other independent financial adviser authorised under the Financial Services Markets Act 2000 if you are in the United Kingdom or, if you are resident outside of the United Kingdom, from another appropriately qualified independent financial adviser.

If you have sold or otherwise transferred all of your shares in WPP plc (the "Company"), please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only some of your shares in the Company, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

## WPP plc

(incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 101749)

### **Scrip Dividend Scheme and scrip dividend alternative in respect of the second interim dividend for 2010**

Notice of the Annual General Meeting of the Company to be held at 12 noon on 2 June 2011 at the Four Seasons Hotel, Simonscourt Road, Dublin 4, Republic of Ireland, at which authority will be sought for the directors of the Company to offer share owners the right to elect to receive New Shares in the Company instead of cash dividends, accompanies this document.

Subject to share owner approval at the Annual General Meeting, it is expected that the reference share price in respect of the proposed scrip dividend alternative for the second interim dividend for 2010 will be announced on 9 June 2011 and the final date for elections to be effective in respect of the second interim dividend for 2010 will be 17 June 2011.

Share owners should note that Irish dividend withholding tax (at the current rate of 20 per cent.) will generally be levied in respect of the issue of New Shares under the Scrip Dividend Scheme (as it is in respect of payments of cash dividends by the Company) unless share owners are entitled to an exemption and have complied, before the election date, with certain procedural formalities. In particular, certain non-Irish resident share owners (both individual and corporate) may be entitled to an exemption from Irish dividend withholding tax. Share owners should refer to Parts 2 and 3 of this document for further information in relation to Irish dividend withholding tax and the available exemptions and also consult the relevant part of the website of the Irish Revenue Commissioners – <http://www.revenue.ie/en/tax/dwt/index.html>.

If you qualify for an exemption and wish to be able to receive your entitlement to the second interim dividend for 2010 in the form of New Shares instead of cash without Irish dividend withholding tax being imposed in respect of the distribution and your entitlement to New Shares being reduced by a corresponding amount, you should download the relevant declaration form from the "Forms" section of the Irish Revenue Commissioners' website noted above, complete it, arrange for it to be certified by your relevant tax authority to the extent that is necessary, and return it, by post or by hand, so as to be received by Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES by no later than 5.00 p.m. on 17 June 2011. You will also need to elect to join the Scrip Dividend Scheme in the manner referred to in Part 1 of this document. The requirements for claiming an exemption from Irish dividend withholding tax apply regardless of whether your Shares are in certificated or uncertificated form.

The Company continues to operate the Dividend Access Plan which allows share owners who have elected (or, by virtue of holding 100,000 or fewer WPP Shares, are deemed to have elected) to participate in the plan to receive cash dividends from a UK source without being subject to any Irish or UK withholding taxes. It is not possible to participate in both the Dividend Access Plan and the Scrip Dividend Scheme. Accordingly, if you have previously elected (or are deemed to have elected) to participate in the Dividend Access Plan and you elect to join the Scrip Dividend Scheme, you will be deemed also to have elected to withdraw from the Dividend Access Plan in respect of all of the WPP Shares registered in your name.

If you wish to receive dividends in cash in the usual way, whether or not you have elected (or are deemed to have elected) to participate in the Dividend Access Plan, you should NOT complete, sign or return a Scrip Dividend Mandate Form or send a CREST Dividend Election Input Message and you need take no further action.

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### **TIMETABLE FOR THE SCRIP DIVIDEND ALTERNATIVE IN RESPECT OF THE SECOND INTERIM DIVIDEND FOR 2010**

Announcement of second interim dividend	<b>4 March 2011</b>
Ex-dividend date	<b>1 June 2011</b>
Annual General Meeting	<b>12 noon on 2 June 2011</b>
Dividend record date	<b>3 June 2011</b>
Period for determining scrip reference share price	<b>2 to 8 June 2011</b>
Scrip reference share price announcement date	<b>9 June 2011</b>
Last time and date for receipt of Scrip Dividend Mandate Forms/CREST Dividend Election Input Messages	<b>5.00 p.m. on 17 June 2011</b>
Last time and date for receipt of all necessary documentation in order to avoid Irish dividend withholding tax being imposed in respect of the scrip dividend and the entitlement to New Shares being correspondingly reduced	<b>5.00 p.m. on 17 June 2011</b>
Dividend payment date	<b>4 July 2011</b>
Expected date of admission and first day of dealings in New Shares on the London Stock Exchange	<b>4 July 2011</b>

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# Part 1

## Scrip Dividend Scheme: Letter to Share Owners

WPP plc  
(incorporated in Jersey under the Companies (Jersey) Law 1991  
with registered number 101749)

22 Grenville Street  
St Helier  
Jersey  
JE4 8PX

19 April 2011

Dear share owner

### **SCRIP DIVIDEND SCHEME**

### **AND**

### **SCRIP DIVIDEND ALTERNATIVE IN RESPECT OF THE SECOND INTERIM DIVIDEND FOR 2010**

#### **Introduction**

As announced on 4 March, and subject to share owner approval at the Company's Annual General Meeting to be held on 2 June, the Directors have decided to introduce an optional Scrip Dividend Scheme which will enable share owners who so wish to elect to receive dividends in the form of fully paid New Shares instead of cash.

This letter sets out the terms and conditions of the Scrip Dividend Scheme. It also provides details of the scrip dividend alternative that applies in respect of the second interim dividend for 2010 that was announced on 4 March.

Scrip dividends are attractive because they enable share owners to increase their holding or interest in the Company in a simple manner without incurring dealing costs. At the same time, the Company can retain more cash in its business, which would otherwise be paid as a dividend.

Whether or not you should elect to receive New Shares instead of cash dividends may depend on your own personal tax circumstances. For a UK resident individual or corporate share owner, receipt of New Shares should not be treated as income for UK tax purposes and should accordingly fall within the regime for taxation of chargeable gains. The tax treatment for other categories of share owner may differ. Share owners are referred to Part 3 of this document for certain tax implications of making an election for share owners resident for tax purposes in the Republic of Ireland or the UK.

The full terms and conditions of the Scrip Dividend Scheme are set out in Part 2 of this document and the attention of share owners not resident in Jersey, the Republic of Ireland or the United Kingdom is drawn in particular to paragraph 12 of Part 2 of this document.

If you are in any doubt about what course of action to take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

#### **Irish withholding tax**

Share owners should note that Irish dividend withholding tax (at the current rate of 20 per cent.) will generally be levied in respect of the issue of New Shares under the Scrip Dividend Scheme (as it is in respect of payments of cash dividends by the Company), unless share owners are entitled to an exemption and have complied, before the election date, with certain procedural formalities. In particular, certain non-Irish resident share owners (both individual and corporate) may be entitled to an exemption from Irish dividend withholding tax. Share owners should refer to Parts 2 and 3 of this document for further information in relation to Irish dividend withholding tax and the available exemptions and also consult the relevant part of the website of the Irish Revenue Commissioners – <http://www.revenue.ie/en/tax/dwt/index.html>.

#### **Relationship with Dividend Access Plan**

The Company continues to operate the Dividend Access Plan which allows share owners who have elected (or, by virtue of holding 100,000 or fewer WPP Shares, are deemed to have elected) to participate in the plan to receive cash dividends from a UK source without being subject to Irish or UK withholding taxes. Share owners should refer to Part 3 of this document for further information in relation to the Dividend Access Plan.

## Scrip Dividend Scheme

It is not possible to participate in both the Dividend Access Plan and the Scrip Dividend Scheme. Accordingly, if you have previously elected (or are deemed to have elected) to participate in the Dividend Access Plan and you elect to join the Scrip Dividend Scheme, you will be deemed also to have elected to withdraw from the Dividend Access Plan in respect of all of the WPP Shares registered in your name. The rules of the Dividend Access Plan will be amended accordingly.

If you do not currently participate in the Dividend Access Plan (or if you withdraw or are deemed to have withdrawn from the Dividend Access Plan, including by virtue of having elected to join the Scrip Dividend Scheme), and you would like to receive future dividends in cash from a UK source, you will need to elect (or re-elect) to participate in the Dividend Access Plan by completing, signing and lodging an Election Notice in respect of the Dividend Access Plan with the Company's Registrar in accordance with the rules of the Dividend Access Plan.

### Joining the Scrip Dividend Scheme

Share owners who hold their Shares in certificated form and wish to participate in the Scrip Dividend Scheme will need to complete and sign the enclosed Scrip Dividend Mandate Form and return it to Computershare Investor Services (Jersey) Limited, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. If you complete a Scrip Dividend Mandate Form, your election will remain in force (subject to paragraph 14 of the Scrip Dividend Scheme Terms and Conditions in Part 2 of this document) in respect of your entire holding of WPP Shares for all future dividends for which a scrip dividend alternative is offered, until cancelled by you in writing. A reply paid envelope is enclosed for your use.

Share owners who hold their shares in uncertificated form (i.e. in CREST) can only elect to receive dividends in the form of New Shares by use of the CREST Dividend Election Input Message in accordance with the procedures stated in the CREST Reference Manual. A CREST share owner wanting his election to be evergreen and to apply to all future dividends for which a scrip dividend alternative is offered, must complete the evergreen box on the Dividend Election Input Message.

A Scrip Dividend Mandate must be in respect of a share owner's entire holding of WPP Shares, whether held in certificated or uncertificated form.

The Scrip Dividend Scheme does not extend to holders of ADRs. Under the terms of the deposit agreement relating to the Company's ADR programme, ADR holders receive dividends under the Dividend Access Plan. Any ADR holder wishing to receive New Shares instead of cash dividends would therefore first need to withdraw from the Company's ADR programme prior to the dividend record date set by the ADR depository and request delivery of WPP Shares. This will enable such holder to elect to join the Scrip Dividend Scheme if he so wishes.

If you wish to receive dividends in cash in the usual way, whether or not you have elected (or are deemed to have elected) to participate in the Dividend Access Plan, you should NOT complete, sign or return a Scrip Dividend Mandate Form or send a CREST Dividend Election Input Message and you need take no further action.

### Timetable in respect of the second interim dividend for 2010

Subject to share owner approval at the Company's Annual General Meeting to be held on 2 June, it is expected that the reference share price in respect of the proposed scrip dividend alternative for the second interim dividend for 2010 will be announced on 9 June 2011 and the final date for elections to be effective in respect of the second interim dividend for 2010 will be 17 June 2011.

If you qualify for an exemption and wish to be able to receive your entitlement to the second interim dividend for 2010 in the form of New Shares instead of cash without Irish dividend withholding tax being imposed in respect of the distribution and your entitlement to New Shares being reduced by a corresponding amount, you should download the relevant declaration form from the "Forms" section of the Irish Revenue Commissioners' website noted above, complete it, arrange for it to be certified by the relevant tax authority to the extent that is necessary, and return it, by post or by hand, so as to be received by Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES by no later than 5.00 p.m. on 17 June 2011. You will also need to elect to join the Scrip Dividend Scheme in the manner referred to below. The requirements for claiming an exemption from Irish dividend withholding tax apply regardless of whether your Shares are in certificated or uncertificated form.

Where the declaration form needs to be accompanied by a certificate of UK residence from the UK tax authorities, share owners should apply in writing to the UK tax office that would normally deal with their UK tax affairs, enclosing a copy of the form of declaration and requesting that the relevant tax office complete the certificate set out in the declaration form or, to the extent that that is not practical, provide a separate certificate of residence.

Share owners should note that to the extent that it is necessary to have their jurisdiction of tax residence certified by their tax authority, as part of the process of completing the procedural formalities for claiming an exemption from Irish dividend withholding tax, there may be a delay in the time taken by the relevant tax authority to process any such request. Share owners who qualify for an exemption and wish to be able to receive their entitlement to the second interim dividend for 2010 in the form of New Shares instead of cash without Irish dividend withholding tax being imposed are therefore strongly advised to commence this process as soon as possible following receipt of this document.

It is not possible to participate in both the Dividend Access Plan and the Scrip Dividend Scheme. Accordingly, if you have previously elected (or are deemed to have elected) to participate in the Dividend Access Plan and you elect to join the Scrip Dividend Scheme, you will be deemed also to have elected to withdraw from the Dividend Access Plan in respect of all of the WPP Shares registered in your name.

In order to be eligible to receive New Shares instead of cash in respect of your entitlement to the second interim dividend for 2010, you should elect to join the Scrip Dividend Scheme by:

- (a) if you hold your Shares in certificated form, completing, signing and returning the enclosed Scrip Dividend Mandate Form so as to be received by the Company's Registrar, Computershare Investor Services (Jersey) Limited, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY by no later than 5.00 p.m. on 17 June 2011. Mandate Forms received after that time will apply to subsequent dividends only; or
- (b) if you hold your Shares in uncertificated form in CREST, completing a Dividend Election Input Message in accordance with the procedures stated in the CREST Reference Manual. Elections via CREST must be received by CREST by no later than 5.00 p.m. on 17 June 2011. CREST elections received after that time will apply to subsequent dividends only.

Share owners who wish to elect to join the Scrip Dividend Scheme and claim an exemption from Irish dividend withholding tax in time to be effective in relation to the second interim dividend for 2010, are advised not to return their Scrip Dividend Mandate Form (if they hold their Shares in certificated form) or submit a Dividend Election Input Message (if they hold their Shares in CREST) unless they are also able to submit, in both cases by no later than 5.00 p.m. on 17 June 2011, all necessary documentation in order to claim an exemption from Irish dividend withholding tax. Irish dividend withholding tax will be levied where a share owner elects to join the Scrip Dividend Scheme in time to be effective in relation to the second interim dividend for 2010 but does not satisfy the relevant requirements for claiming an exemption by such time. In such circumstances, if the share owner is able to demonstrate that he qualifies for an exemption from Irish dividend withholding tax, he may be entitled to obtain an Irish dividend withholding tax refund from the Irish Revenue, DWT Section, after the payment date. Share owners should refer to paragraph 2.6 of Part 3 of this document for more information in relation to the application of Irish dividend withholding tax.

Completion of allotments of New Shares under the Scrip Dividend Scheme is subject to certain conditions, namely share owner approval at the Company's Annual General Meeting to be held on 2 June 2011 and admission of the New Shares to the Official List of the UKLA and to trading on the London Stock Exchange. If any of these conditions are not met, the Scrip Dividend Scheme will not be introduced or will be cancelled and dividends will be paid in cash in the usual way (having regard to any elections, or deemed elections, to participate in the Dividend Access Plan) to all share owners.

Applications will be made for the New Shares to be admitted to the Official List of the UKLA and to trading on the London Stock Exchange. On issue, the New Shares will rank *pari passu* with the existing issued Shares in the Company, in respect of all rights arising on or after the date of issue.

### Further information

Further details of the Scrip Dividend Scheme, including how it will operate in respect of future dividends where a scrip dividend alternative is offered to share owners, are set out in the Scrip Dividend Scheme Terms and Conditions in Part 2 of this document. Share owners should also refer to Part 3 of this document for further information on certain tax implications of making an election to receive New Shares instead of cash dividends.

Yours faithfully,



**Philip Lader**  
Chairman



# Part 2

## Scrip Dividend Scheme: Terms and Conditions

### 1. The Scrip Dividend Scheme

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The Scrip Dividend Scheme enables share owners to elect to receive New Shares instead of cash dividends.

The scheme is open to all share owners subject to certain restrictions for overseas share owners as set out in paragraph 12 below. The right to elect to join the Scrip Dividend Scheme is not transferable.

The Scrip Dividend Scheme does not extend to ADR holders and any ADR holder wishing to receive New Shares instead of cash dividends would first need to withdraw from the Company's ADR programme prior to the dividend record date set by the ADR depositary and request delivery of WPP Shares.

The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Shares by way of scrip dividend alternative in respect of any particular dividend. Should the directors decide not to offer New Shares in respect of any dividend, cash will be paid instead.

### 2. Irish withholding tax

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Share owners should note that Irish dividend withholding tax (at the current rate of 20 per cent.) will generally be levied in respect of the issue of New Shares under the Scrip Dividend Scheme (as it is in respect of payments of cash dividends by the Company) unless share owners are entitled to an exemption and have complied, before the appropriate election date, with certain procedural formalities. In particular, certain non-Irish resident share owners (both individual and corporate) may be entitled to an exemption from Irish dividend withholding tax. Share owners should refer to Part 3 of this document for further information in relation to Irish dividend withholding tax and the available exemptions and also consult the relevant part of the website of the Irish Revenue Commissioners – <http://www.revenue.ie/en/tax/dwt/index.html>.

If you qualify for an exemption and wish to be able to receive your entitlement to a particular dividend in the form of New Shares instead of cash without Irish dividend withholding tax being imposed in respect of the distribution and your entitlement to New Shares being reduced by a corresponding amount, you should download the relevant declaration form from the "Forms" section of the Irish Revenue Commissioners' website noted above, complete it, arrange for it to be certified by the relevant tax authority to the extent that is necessary, and return it, by post or by hand, so as to be received by Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES by no later than the election date for the relevant scrip dividend. You will also need to elect to join the Scrip Dividend Scheme in the manner referred to in paragraph 4 below. The requirements for claiming an exemption from Irish dividend withholding tax apply regardless of whether your Shares are in certificated or uncertificated form.

Where the declaration form needs to be accompanied by a certificate of UK residence from the UK tax authorities, share owners should apply in writing to the UK tax office that would normally deal with their UK tax affairs, enclosing a copy of the form of declaration and requesting that the relevant tax office complete the certificate set out in the declaration form or, to the extent that that is not practical, provide a separate certificate of residence.

Share owners should note that to the extent that it is necessary to have their jurisdiction of tax residence certified by their tax authority, as part of the process of completing the procedural formalities for claiming an exemption from Irish dividend withholding tax, there may be a delay in the time taken by the relevant tax authority to process any such request. Share owners who qualify for an exemption and wish to be able to receive their entitlement to any dividend in the form of New Shares instead of cash without Irish dividend withholding tax being imposed are therefore strongly advised to commence this process as soon as possible.

### 3. Relationship with the Dividend Access Plan

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The Company continues to operate the Dividend Access Plan which allows share owners who have elected (or, by virtue of holding 100,000 or fewer WPP Shares, are deemed to have elected) to participate in the plan to receive cash dividends from a UK source without being subject to any Irish or UK withholding taxes.

It is not possible to participate in both the Dividend Access Plan and the Scrip Dividend Scheme. Accordingly, if you have previously elected (or are deemed to have elected) to participate in the Dividend Access Plan and you elect to join the Scrip Dividend Scheme, you will be deemed also to have elected to withdraw from the Dividend Access Plan in respect of all of the WPP Shares registered in your name.

If you do not currently participate in the Dividend Access Plan (or if you withdraw or are deemed to have withdrawn from the Dividend Access Plan, including by virtue of having elected to join the Scrip Dividend Scheme), and you would like to receive future dividends in cash from a UK source, you will need to elect (or re-elect) to participate in the Dividend Access Plan by completing, signing and lodging an Election Notice in respect of the Dividend Access Plan with the Company's Registrar in accordance with the rules of the Dividend Access Plan.

Forms of Election Notice in respect of the Dividend Access Plan are available at any time on request from Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES and will also be available to download from the Company's website [www.wpp.com](http://www.wpp.com).

#### 4. Joining the Scrip Dividend Scheme

##### *Share owners who hold their shares in certificated form*

Share owners who wish to elect to join the Scrip Dividend Scheme may do so by completing and signing the enclosed Scrip Dividend Mandate Form (which may be amended from time to time) in accordance with the instructions thereon and sending it (in the envelope provided) to Computershare Investor Services (Jersey) Limited, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. No acknowledgement of receipt of Scrip Dividend Mandate Forms will be given.

In order to be eligible to receive New Shares in respect of a particular dividend, Scrip Dividend Mandate Forms must be received by Computershare by no later than 5.00 p.m. on the election date announced by the Company in respect of that dividend, which will not be more than 20 business days before the relevant dividend payment date. Mandate Forms received by Computershare after such time and date will be applied in respect of subsequent dividends only.

**As a share owner, your Mandate will remain in force in respect of your entire holding of Shares in certificated form for all future dividends where a scrip dividend alternative is offered unless and until cancelled by you in writing.**

A Scrip Dividend Mandate will apply in respect of a share owner's entire holding of Shares as at the record date for the relevant dividend.

Any Scrip Dividend Mandate Form sent to an address other than that stated above for Computershare will not be accepted or considered valid.

Upon execution of a Scrip Dividend Mandate Form, a share owner is deemed (in respect of himself, his heirs, successors and assigns): (a) to agree to participate in the Scrip Dividend Scheme pursuant to these Terms and Conditions, as amended from time to time; (b) if such share owner has previously elected (or is deemed to have elected) to participate in the Dividend Access Plan, to withdraw from the Dividend Access Plan; and (c) to authorise the Company or its agent to send to the relevant share owner at that share owner's registered address any definitive share certificate in respect of New Shares allotted.

##### *Share owners who hold their shares in uncertificated form (i.e. in CREST)*

Share owners who hold their shares in CREST can only elect to receive dividends in the form of New Shares by use of the CREST Dividend Election Input Message in accordance with the procedures stated in the CREST Reference Manual. By doing so, a CREST share owner confirms (a) their election to participate in the Scrip Dividend Scheme and their acceptance of these Terms and Conditions, as amended from time to time; and (b) if such CREST share owner has previously elected (or is deemed to have elected) to participate in the Dividend Access Plan, his withdrawal from the Dividend Access Plan. Other forms of election, including a paper form of election, may not be accepted.

Elections to join the Scrip Dividend Scheme will be accepted only in respect of a share owner's entire holding of Shares as at the record date for the relevant dividend. Accordingly, CREST share owners should not insert a number of Shares in their Dividend Election Input Message. If a number is inserted that is equal to or greater than the Shares held at the relevant record date, then the election will be applied to the entire holding as at the relevant record date. If a number is inserted that is less than the Shares held at the relevant record date, or zero is inserted, then the Dividend Election Input Message may be disregarded.

## Scrip Dividend Scheme

It is the Company's understanding that once an election is made using the CREST Dividend Election Input Message system it cannot be amended. Therefore, if a CREST share owner wishes to change his election, the previous election would have to be cancelled.

In order to be eligible to receive New Shares in respect of a particular dividend, elections via CREST must be received by CREST by no later than 5.00 p.m. on the election date announced by the Company in respect of that dividend, which will not be more than 20 business days before the relevant dividend payment date. CREST elections received after such time and date will be applied in respect of subsequent dividends only.

**CREST share owners who wish to receive New Shares instead of cash in respect of any future dividend where a scrip dividend alternative is offered must complete the evergreen box on the Dividend Election Input Message. Please see paragraph 7 below for more information in relation to future dividends.**

If you are a CREST sponsored member, you should consult your CREST sponsor, who will be able to take the appropriate action on your behalf.

If you wish to receive dividends in cash in the usual way, whether or not you have elected (or, by virtue of holding 100,000 or fewer WPP Shares, are deemed to have elected) to participate in the Dividend Access Plan, you should NOT complete, sign or return a Scrip Dividend Mandate Form or send a CREST Dividend Election Input Message and you need take no further action.

### 5. Number of New Shares

The number of New Shares that share owners electing to participate in the Scrip Dividend Scheme will receive in respect of each dividend will depend on the amount of the cash dividend, any residual cash balance brought forward from the last scrip dividend where applicable, the number of Shares held, the scrip reference share price to be used in calculating the scrip entitlement of the relevant share owner and whether or not Irish dividend withholding tax applies. **In circumstances where Irish dividend withholding tax is applied, an amount equal to the rate of Irish dividend withholding tax (currently 20 per cent.) will be deducted from the gross cash value of the distribution to which the relevant share owner is entitled and the share owner will receive a reduced number of New Shares which takes into account that deduction.**

The scrip reference share price will be equal to the average middle market quotation for a fully paid share of the Company, as shown in the London Stock Exchange Daily Official List or as established from such other source as the Directors consider appropriate, for the five dealing days following the day on which the Company's shares are first quoted "ex" the relevant dividend, or shall be calculated in such other manner as permitted by the Company's articles of association and as the Directors may determine in respect of any particular dividend.

The scrip reference share price and the election date, in addition to the ex-dividend date and record date in respect of any relevant dividend, will be announced by the Company and posted on the Company's website [www.wpp.com](http://www.wpp.com).

The formula used for calculating the number of New Shares to be received for each dividend where a scrip dividend alternative is offered by the Company is set out below:

$$\frac{(A \times (B - C)) + D}{E} = X$$



Where: A equals the number of Shares registered in your name as at the relevant record date;  
 B equals the cash rate of the relevant dividend;  
 C equals 20% of B, if Irish dividend withholding tax is applicable (based on the current rate);  
 D equals the amount of any residual cash entitlement carried forward from previous dividends which were insufficient to permit a whole New Share to be allotted pursuant to the Scrip Dividend Scheme;  
 E equals the relevant scrip reference share price; and  
 X is the resulting number of New Shares that you will receive in respect of that dividend.

By way of example, for illustrative purposes only, if the cash rate of the relevant dividend is assumed to be 10p per Share and the scrip dividend reference price is assumed to be 700p, the entitlement of a share owner holding 1000 Shares that elects to join the Scrip Dividend Scheme will (disregarding any residual cash entitlements that may be carried forward from previous dividends) be as follows:

(a) if Irish dividend withholding tax is not applicable, the entitlement of a share owner holding 1000 Shares will be as follows:

$$\frac{(1000 \times (10 - 0)) + 0}{700} = 14 \text{ New Shares}$$

(and a residual cash entitlement of 200p to be carried forward)

(b) if Irish dividend withholding tax is applicable, the entitlement of a share owner holding 1000 Shares will be as follows:

$$\frac{(1000 \times (10 - 2)) + 0}{700} = 11 \text{ New Shares}$$

(and a residual cash entitlement of 300p to be carried forward)

Once the New Shares have been issued, a statement will be sent to relevant share owners, together with a new share certificate (where applicable), showing the number of New Shares issued, the scrip reference share price used, the total cash equivalent of the New Shares, any residual cash entitlement and whether or not Irish dividend withholding tax has been applied.

If the cash dividend entitlement, together with any residual cash entitlement brought forward, is insufficient to acquire at least one New Share, the statement will explain that no New Shares have been issued and how much cash has been carried forward to the next dividend.

## 6. Fractions and cash balances

No fraction of a New Share will be allotted and calculations of entitlements to New Shares will always be rounded down to the nearest whole New Share. Any residual cash balance will be retained by the Company's Registrar and carried forward to be included in the calculation for the next dividend. No interest will be paid on any residual cash balances.

## **Scrip Dividend Scheme**

### **7. Future dividends**

Once a share owner who holds his shares in certificated form has returned a valid Scrip Dividend Mandate Form, the relevant form will apply for all future dividends where a scrip dividend alternative is offered unless and until it is revoked in writing by the share owner.

CREST share owners wanting their election to apply for all future dividends where a scrip dividend alternative is offered, need to complete the evergreen box on the Dividend Election Input Message.

All New Shares issued under the Scrip Dividend Scheme will automatically increase a share owner's holding which will form the basis on which the entitlement to any subsequent scrip dividend will be calculated. Where the cash dividend is insufficient to entitle a share owner to be allotted New Shares, funds representing share owners' fractional cash entitlements will be accumulated for their benefit, and then (a) subsequently added to the cash amount of any subsequent dividends in respect of which a scrip dividend alternative is offered and applied in calculating a share owner's entitlement under those dividends, or (b) paid out to each relevant share owner where a scrip dividend alternative is not offered or to be applied in respect of a subsequent dividend.

If you withdraw from the Scrip Dividend Scheme or sell or transfer your entire holding of or interest in Shares or if the Company terminates the Scrip Dividend Scheme any cash balance of less than £3 will be paid to a charity of the Company's choice.

The Scrip Dividend Scheme and any Scrip Dividend Mandate is always subject to the Directors' decision to offer a scrip dividend alternative in respect of any particular dividend. The Directors may decide not to offer a scrip dividend alternative in respect of any future dividend.

Share owners should note that if the Directors' decide not to offer a scrip dividend alternative in respect of any dividend, and such share owners have previously been deemed to have withdrawn from the Dividend Access Plan by virtue of having elected to join the Scrip Dividend Scheme, it will be necessary to elect (or re-elect) to participate in the Dividend Access Plan in order to receive future dividends in cash from a UK source. Forms of Election Notice in respect of the Dividend Access Plan are available at any time on request from Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES and will also be available to download from the Company's website [www.wpp.com](http://www.wpp.com).

### **8. Listing and ranking of the New Shares**

Application will be made to the UKLA and the London Stock Exchange for admission to listing and trading of the New Shares.

The New Shares will be credited as fully paid and will rank equally in all respects with the existing Shares in respect of all rights arising on or after the date of issue.

In the unlikely event that the New Shares are not admitted to listing or trading, or if any other condition of their issue is not fulfilled, the Company will pay the relevant dividend in cash in the usual way as soon as reasonably practicable.

### **9. Share certificates and dealings**

Subject to the New Shares being admitted to the Official List of the UKLA and to trading on the London Stock Exchange, new share certificates for participants in the Scrip Dividend Scheme holding their Shares in certificated form will be posted to such share owners at their risk, on or about the same date as cheques are posted (or payment is otherwise made) to those share owners who are receiving the dividends in cash. The relevant dates will be posted on the Company's website [www.wpp.com](http://www.wpp.com).

CREST participants will have their CREST accounts credited directly with the New Shares on or as soon as practicable after the same day that the cash dividend is paid.

Dealings in the New Shares are expected to begin on the dividend payment date.

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**10. Multiple and joint holdings**

If a share owner's shares are registered in more than one holding then, unless such multiple holdings are consolidated before the scrip election date, they will be treated as separate. As a result, separate Scrip Dividend Mandate Forms will need to be completed for each holding if share owners wish to receive New Shares under the Scrip Dividend Scheme in respect of each holding.

In respect of holdings held in joint names, all joint share owners must sign the Scrip Dividend Mandate Form.

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**11. Elections for entire holdings of Shares only**

Elections to join the Scrip Dividend Scheme will be accepted only in respect of a share owner's entire holding of Shares as at the record date for the relevant dividend.

Accordingly, if a share owner wishes to join the Scrip Dividend Scheme in respect of part of his shareholding only, that share owner will first need to split his holding and then make an election to join the Scrip Dividend Scheme in relation to the whole of the relevant split shareholding as required.

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**12. Overseas share owners**

Share owners who are resident outside Jersey, the Republic of Ireland and the United Kingdom may treat this document as an invitation to receive New Shares unless such an invitation could not lawfully be made to such share owners without compliance with any registration or other legal or regulatory requirements in the relevant jurisdiction. It is the responsibility of any person resident outside Jersey, the Republic of Ireland and the United Kingdom wishing to elect to receive New Shares under the Scrip Dividend Scheme to be satisfied that such an election can validly be made without any further obligation on the part of the Company, and to be satisfied as to full observance of the laws of the relevant territory, including obtaining any governmental, regulatory or other consents which may be required and observing any other formalities in such territories and any resale restrictions which may apply to the New Shares. Unless this condition is satisfied, such share owners may not participate in the Scrip Dividend Scheme or sign a Scrip Dividend Mandate Form.

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**13. Recent sale or purchase of Shares**

If a share owner has sold some of his Shares prior to a dividend record date, the Scrip Dividend Scheme will apply in respect of the remainder of such share owner's Shares accordingly. If a share owner has bought any additional Shares after a dividend record date, the additional Shares will not be eligible for the dividend to which the record date applies, but will be eligible for future dividends, without the need to complete a further Scrip Dividend Mandate Form in respect of the additional Shares.

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**14. Cancellation of Mandates**

Share owners may cancel their Scrip Dividend Mandates at any time. For share owners holding their Shares in certificated form, notice of cancellation must be given in writing to Computershare. CREST share owners can only cancel their mandates through the CREST system. A notice of cancellation will take effect on its receipt and will be processed by Computershare in respect of all dividends payable after the date of receipt of such notice.

To be effective for a particular dividend, share owners holding their Shares in certificated form must ensure that their notice of cancellation is received by Computershare, and CREST participants must input their cancellation notice through CREST, no later than 5.00 p.m. on the election date announced by the Company in respect of that dividend, which will not be more than 20 business days before the relevant dividend payment date. If a notice of cancellation is received after the relevant election date announced by the Company, it will not be valid for that particular dividend, the share owner will receive additional Shares under the Scrip Dividend Scheme in respect of the relevant dividend and the cancellation will only take effect for subsequent dividends.

A Mandate will be deemed to be cancelled if such share owner sells or otherwise transfers his Shares to another person but only with effect from the registration of the relevant transfer.

## Scrip Dividend Scheme

A share owner's Mandate will terminate immediately on receipt of notice of such share owner's death. However, if a joint share owner dies, the Mandate will continue in favour of the surviving joint share owner(s) (unless and until cancelled by the surviving joint share owner(s)).

Any residual amounts over £3 standing to the credit of a share owner will be paid to such share owner in cash (by cheque) on or as soon as practicable after cancellation. Where such residual amount is under £3, such sums will be paid to a charity of the Company's choice.

Any notice sent to an address other than that stated in paragraph 2 above for Computershare will not be accepted or considered valid.

Share owners should note that if their Mandate is cancelled at any time, and such share owners have previously been deemed to have withdrawn from the Dividend Access Plan by virtue of having elected to join the Scrip Dividend Scheme, it will be necessary to elect (or re-elect) to participate in the Dividend Access Plan in order to receive future dividends in cash from a UK source. Forms of Election Notice in respect of the Dividend Access Plan are available at any time on request from Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES and will also be available to download from the Company's website [www.wpp.com](http://www.wpp.com).

### 15. Changes to or cancellation of the Scrip Dividend Scheme

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The operation of the Scrip Dividend Scheme requires share owner approval, which must be renewed no later than every five years if the Directors wish to continue the scheme. The Directors may at any time, at their discretion and without notice to share owners, modify, suspend, terminate or cancel the Scrip Dividend Scheme. In the case of any modification, existing Mandates (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until Computershare receives a cancellation from such share owners pursuant to paragraph 14 above. If the Scrip Dividend Scheme is terminated or cancelled by the Directors, all Mandates then in force will be deemed to have been cancelled as at the date of such termination or cancellation.

The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Shares by way of scrip dividend alternative in respect of any particular dividend. The Directors also have the power, after such an offer is made, to revoke the offer generally at any time prior to the allotment of New Shares under the Scrip Dividend Scheme. If the Directors revoke an offer (or otherwise suspend, terminate or cancel the Scrip Dividend Scheme), share owners will receive their dividend in cash on or as soon as reasonably practicable after the relevant dividend payment date.

Share owners should note that if the Scrip Dividend Scheme is terminated or cancelled at any time or the Directors decide not to make an offer of New Shares by way of scrip dividend alternative in respect of any particular dividend or revoke such offer, and such share owners have previously been deemed to have withdrawn from the Dividend Access Plan by virtue of having elected to join the Scrip Dividend Scheme, it will be necessary to elect (or re-elect) to participate in the Dividend Access Plan in order to receive future dividends in cash from a UK source. Forms of Election Notice in respect of the Dividend Access Plan are available at any time on request from Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES and will also be available to download from the Company's website [www.wpp.com](http://www.wpp.com).

### 16. Governing law

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The Scrip Dividend Scheme is subject to the Company's articles of association and these terms and conditions, as amended from time to time, and is governed by, and its terms and conditions are to be construed in accordance with, English law. By electing to receive New Shares, the relevant share owner agrees to submit to the exclusive jurisdiction of the English courts in relation to the Scrip Dividend Scheme.

### Contacts

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For general enquiries about the Scrip Dividend Scheme, please contact Computershare on +44 (0)870 707 1411. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (except Jersey public holidays). Calls to the helpline from outside Jersey will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scrip Dividend Scheme nor give any personal financial, legal or tax advice.

## **General**

The information contained in this document is accurate only as at the date of this document. Except to the extent required by applicable law, the Listing Rules or the Disclosure and Transparency Rules, the Company will not necessarily update any of the statements in light of new information or future events and undertakes no duty to do so.

The Company has taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this document, whether of facts or of opinion.

A copy of this document has been delivered to the Jersey Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey Registrar has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of New Shares by the Company.

It must be distinctly understood that, in giving these consents, neither the Jersey Registrar nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it in this document. It should be noted that the price of WPP Shares and the income from them can go down as well as up.



# Part 3

## Scrip Dividend Scheme: Tax

### 1. Introduction

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The Company is resident in the Republic of Ireland for tax purposes. Unless a share owner makes an election (or is deemed to have elected) to participate in the Dividend Access Plan, any dividends received by a share owner will be received directly from the Company. Dividends received directly from the Company, whether in the form of cash or in the form of New Shares, will be treated as having been received from an Irish source for Irish tax purposes.

The tax effect for a share owner making an election to receive New Shares instead of a cash dividend will depend upon the personal circumstances of that share owner. Share owners are referred to the paragraphs headed “Republic of Ireland Taxation” and “United Kingdom Taxation” below for a general description of the likely tax consequences for share owners resident for tax purposes in those jurisdictions of making such an election. This summary is based on law and practice as at the date of this document.

### 2. Republic of Ireland Taxation

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#### General

2.1 The paragraphs set out under “Receipt of New Shares” below summarise the Irish tax treatment for share owners acquiring, holding or disposing of New Shares. The paragraphs are intended as a general guide and except for the sections dealing with dividend withholding tax in paragraph 2.6 below, and otherwise where express reference is made to the position of non-Irish resident shareholders, apply only to share owners who are resident or, if individuals, ordinarily resident and domiciled for tax purposes in the Republic of Ireland. These paragraphs relate only to such share owners who hold their New Shares directly as an investment and who are the absolute beneficial owners of their Shares.

The paragraph set out under “Receipt of cash dividends directly from the Company” below summarises the Irish tax treatment for share owners who receive cash dividends directly from the Company. The paragraph is intended as a general guide and except for the sections dealing with dividend withholding tax and otherwise where express reference is made to the position of non-Irish resident shareholders, apply only to share owners who are resident or, if individuals, ordinarily resident and domiciled for tax purposes in the Republic of Ireland.

The paragraphs set out under “Receipt of dividends from WPP DAS Limited under the Dividend Access Plan” below summarise the Irish tax treatment for share owners who receive cash dividends from WPP DAS Limited under the Dividend Access Plan. The paragraphs are intended as a general guide and except for the section dealing with dividend withholding tax in paragraph 2.18 below, and otherwise where express reference is made to the position of non-Irish resident shareholders, apply only to share owners who are resident or, if individuals, ordinarily resident and domiciled for tax purposes in the Republic of Ireland.

These paragraphs do not deal with certain types of share owner, such as persons holding or acquiring Shares in the course of a trade such as dealers, brokers, banks, financial institutions, insurance companies, tax exempt organisations and investment companies, or persons holding or acquiring Shares by reason of their, or another’s, employment.

Any share owner who is in any doubt as to their taxation position in respect of Irish tax, or who is subject to taxation in a jurisdiction other than the Republic of Ireland, should consult their own professional adviser immediately.

#### Receipt of New Shares

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##### *Tax on Dividends*

2.2 Dividends received directly from the Company, whether in the form of cash or in the form of New Shares, will be treated as being received from an Irish source.

##### 2.3 Share owners who are individuals

An Irish resident or ordinarily resident share owner, who elects to participate in the Scrip Dividend Scheme will be subject to Irish income tax on the gross cash value (before deduction of applicable Irish dividend withholding tax) of the distribution

to which the share owner is entitled at their marginal rate and, in certain circumstances PRSI (pay related social insurance) and/or the universal social charge. Irish resident individual share owners are generally entitled to credit for dividend withholding tax deducted against their income tax liability and to have refunded to them any amount by which dividend withholding tax exceeds such income tax liability.

### 2.4 Corporate share owners

An Irish resident corporate share owner will generally be exempt from Irish tax in respect of New Shares received as a result of participating in the Scrip Dividend Scheme. If an Irish resident corporate share owner is a close company for tax purposes, however, it may, in certain circumstances, be liable to a 20 per cent. investment income surcharge in respect of dividends received from the Company.

### 2.5 Non-Irish resident share owners

Non-Irish resident share owners are, unless entitled to exemption from dividend withholding tax, liable to Irish income tax on distributions (which would include New Shares received as a result of participating in a scrip dividend scheme) received from the Company. However, dividend withholding tax deducted by the Company discharges such liability to Irish income tax. Where a non-resident share owners is entitled to exemption from dividend withholding tax, then no Irish income tax arises and, where dividend withholding tax has been deducted by the Company, a claim may be made for a refund of the dividend withholding tax.

Non-Irish resident share owners, whether individuals or corporate share owners, may be subject to foreign taxation on dividends received under the local law of the jurisdiction of their residence.

### 2.6 Irish dividend withholding tax

Distributions paid directly by the Company will generally be subject to Irish dividend withholding tax at the standard rate of Irish income tax (currently 20 per cent.) unless the share owner falls within one of the categories of exempt share owner referred to below. Where Irish dividend withholding tax applies, the Company will be responsible for withholding Irish dividend withholding tax at source. For Irish dividend withholding tax purposes, a distribution includes cash dividends, non-cash dividends and additional shares taken in lieu of a cash dividend.

Where a share owner opts to take additional fully paid New Shares instead of a cash dividend under the Scrip Dividend Scheme, the share owner will be treated as if he had received a distribution of an amount equal to the cash dividend which would have been received if he had not elected to take the New Shares. In such circumstances, the Company, when issuing the New Shares to each share owner (other than a share owner exempted from Irish dividend withholding tax and who has complied in advance with the relevant procedural requirements, referred to below), will issue a reduced number of Shares equal in value to the net amount of the distribution after deducting dividend withholding tax (which currently applies at the rate of 20 per cent.). The Company will then pay to the Irish Revenue an amount of Irish dividend withholding tax equal to the amount of dividend withholding tax which would have been payable had he or she elected to take cash instead of New Shares.

Certain categories of Irish resident share owners are entitled to an exemption from dividend withholding tax, including (but not limited to) Irish resident companies, qualifying employee share ownership trusts, charities and pension funds. Except in very limited circumstances, distributions by the Company to an Irish resident share owner who is an individual are not exempt from dividend withholding tax.

Certain non-Irish resident share owners (both individual and corporate) may be entitled to an exemption from Irish dividend withholding tax. Dividend withholding tax will not be payable where an exemption applies provided that the Company's Registrar has received all necessary documentation required by the relevant legislation from a share owner prior to the deadline for making an election in respect of the relevant scrip dividend. Information in relation to dividend withholding tax and the available exemptions can be found on the Irish Revenue's website at <http://www.revenue.ie/en/tax/dwt/index.html>. The principal categories of non-Irish resident share owners entitled to an exemption are:

- (a) an individual share owner who by virtue of the laws of the relevant country is resident for tax purposes in either a member state of the EU (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty (including the United States), and that individual is neither resident nor ordinarily resident in the Republic of Ireland; or
- (b) a company, ultimately controlled, directly or indirectly, by persons who by virtue of the laws of the relevant territory are resident in either a member state of the EU (apart from the Republic of Ireland) or in a country with which the Republic of Ireland has a double tax treaty (such as the United States); or
- (c) a company, not ultimately controlled by persons resident in the Republic of Ireland and which by virtue of the laws of the

- relevant territory is resident for tax purposes in either a member state of the EU (apart from the Republic of Ireland) or a country with which the Republic of Ireland has a double tax treaty (such as the United States); or
- (d) a company, whose principal class of shares is substantially and regularly traded (i) on a recognised stock exchange in the Republic of Ireland; (ii) on a recognised stock exchange in a member state of the EU (apart from the Republic of Ireland); (iii) on a recognised stock exchange in a country with which the Republic of Ireland has a double tax treaty (such as the United States); or (iv) on an exchange approved by the Minister for Finance; or
  - (e) a company, which is at least a 75 per cent. subsidiary, direct or indirect, of another company whose principal class of shares is substantially and regularly traded (i) on a recognised stock exchange in the Republic of Ireland; (ii) on a recognised stock exchange in a member state of the EU (apart from the Republic of Ireland); (iii) on a recognised stock exchange in a country with which the Republic of Ireland has a double tax treaty; or (iv) on an exchange approved by the Minister for Finance; or
  - (f) a company, that is wholly owned, directly or indirectly, by two or more companies the principal class of shares of each of which is substantially and regularly traded (i) on a recognised stock exchange in the Republic of Ireland; (ii) on a recognised stock exchange in a member state of the EU (apart from the Republic of Ireland); (iii) on a recognised stock exchange in a country with which the Republic of Ireland has a double tax treaty (such as the United States); or (iv) on an exchange approved by the Irish Minister for Finance;

and provided that, in all cases noted above, the share owner has made the appropriate declaration to the Company prior to payment of the dividend and the declaration has been lodged with the Company's Registrar, see below, by no later than the deadline for making an election in respect of the relevant scrip dividend. A declaration, once made, will remain valid from the date of issue of the certificate to 31 December in the fifth year following the year in which the certificate was issued unless revised or withdrawn.

In order for a non-Irish tax resident individual or corporate share owners to claim any of the exemptions they must make a declaration of their entitlement to exemption. To do this they must download the relevant declaration form from the "Forms" section of the website noted above, complete it, arrange for it to be certified by the relevant tax authority as required, and return it, by post or by hand, so as to be received by Computershare Investor Services (Jersey) Limited, Queensway House, Hillgrove Street, St Helier, Jersey JE1 1ES by no later than the deadline for making an election in respect of the relevant scrip dividend. Where the declaration form needs to be accompanied by a certificate of UK residence from the UK tax authorities, share owners should apply in writing to the UK tax office that would normally deal with their UK tax affairs, enclosing a copy of the form of declaration and requesting that the relevant tax office complete the certificate set out in the declaration form or, to the extent that is not practical, provide a separate certificate of residence.

If any share owner has not complied with the Irish dividend withholding tax exemption procedural formalities before the applicable deadline in relation to a particular dividend with the result that Irish dividend withholding tax is levied in respect of that dividend, he may be entitled to obtain an Irish dividend withholding tax refund from the Irish Revenue, DWT Section after the payment date. In relation to future dividends, it is essential that any share owner who wishes to claim an exemption has completed and returned an exemption form so that it has been received by the Company's Registrar by no later than the election date for the next relevant scrip dividend.

The information above concerning Irish dividend withholding tax, and the various exemptions that are available, is not intended as advice or guidance. There are several other exempt categories and share owners should review the information on the Irish Revenue's website to see which exemption may be applicable and what procedure should be used to claim an exemption. Any share owner who is in any doubt as to whether or which an exemption applies to them, should consult their own professional tax adviser.

### *Tax on Chargeable Gains*

2.7 Liability to Irish tax on chargeable gains will depend on the individual circumstances of share owners.

### 2.8 Disposal of Shares by Irish resident share owners

A disposal or deemed disposal of Shares by a share owner who is resident or ordinarily resident in the Republic of Ireland may, depending on individual circumstances (including the availability of exemptions and allowable losses), give rise to a chargeable gain or allowable loss for the purposes of Irish capital gains tax. The current rate of capital gains tax in the Republic of Ireland is 25 per cent.

The share register of the Company is held in Jersey and, accordingly, individual share owners who are resident, or ordinarily resident in the Republic of Ireland, but not domiciled in the Republic of Ireland, will be liable to Irish capital gains tax only to the extent that the proceeds of a disposal of Shares are remitted or deemed to be remitted to the Republic of Ireland.

Irish resident corporate share owners will be liable to Irish capital gains tax irrespective of whether the proceeds of the disposal of the Shares are remitted or deemed to be remitted to the Republic of Ireland.

## 2.9 Disposal of Shares by non-Irish resident share owners

Share owners who are not resident, or in the case of individuals, are not resident and not ordinarily resident for tax purposes in the Republic of Ireland will not be liable to Irish tax on chargeable gains realised on a disposal or part disposal of Shares unless such Shares are used, held or acquired for the purposes of a trade, profession or vocation carried on in the Republic of Ireland through a branch or agency and the assets in question are situated in Ireland. As registered shares are situated for Irish tax purposes where they are registered and, on the basis that the Shares are registered in Jersey, they should be regarded as situated in Jersey for these purposes. Such share owners may be subject to foreign taxation on any gain under local law of the jurisdiction of their residence.

A share owner who is an individual and who is temporarily a non-resident of the Republic of Ireland at the time of the disposal or part disposal may, under anti-avoidance legislation, still be liable to Irish taxation on any chargeable gain realised (subject to the availability of exemptions or reliefs).

### *Capital Acquisitions Tax (Inheritance Tax and Gift Tax)*

2.10 A gift or inheritance comprising of Shares will be within the charge to Irish capital acquisitions tax if the donor or the donee / successor in relation to the gift or inheritance is resident or ordinarily resident in the Republic of Ireland. Capital acquisitions tax is currently charged at the rate of 25 per cent. above a tax free threshold.

2.11 A gift or inheritance comprising of Shares will not be within the charge to capital acquisitions tax if the donor or the donee/successor in relation to the gift or inheritance is neither resident nor ordinarily resident in the Republic of Ireland so long as the Shares are not situated in the Republic of Ireland at the date of the gift or inheritance.

2.12 Registered ordinary shares are generally regarded as situated where the principal register of shareholders is maintained or is required to be maintained. On the basis that the register of share owners in respect of the Shares is maintained in Jersey, the Shares should not be regarded as situated in the Republic of Ireland.

### *Stamp Duty*

2.13 No Irish stamp duty will generally be payable on the issue of or a subsequent transfer of the New Shares. However Irish Stamp Duty at current rate of 1 per cent. is payable on a transfer of the Shares if the relevant instrument of transfer is executed in the Republic of Ireland or if that instrument relates to any immovable property situated in the Republic of Ireland or any right over or interest in such property or any stocks or marketable securities of a company registered in the Republic of Ireland.

### *Receipt of cash dividends directly from the Company*

2.14 The position for share owners who receive cash dividends directly from the Company is the same as if that share owner had made an election to participate in the Scrip Dividend Scheme. Therefore the analysis set out in paragraphs 2.2 to 2.6 above applies also in these circumstances and share owners should review those paragraphs to get an understanding of their general tax position. To summarise the position from the perspective of a share owner that is not resident or ordinarily resident in Ireland for tax purposes and not domiciled in Ireland for tax purposes, that means that any such share owner entitled to an exemption from Irish dividend withholding tax must, to the extent he has not already done so, have complied with the procedural formalities for claiming an exemption from Irish withholding tax before the applicable deadline for making an election in respect of the relevant scrip dividend in order to be in a position to receive his full cash dividend without any deduction in respect of Irish dividend withholding tax being imposed.

## **Receipt of dividends from WPP DAS Limited under the Dividend Access Plan**

### *Tax on dividends*

2.15 An Irish resident or ordinarily resident individual share owner who receives dividends from WPP DAS Limited will be subject to Irish income tax on the cash dividend received at their marginal rate and, in certain circumstances, PRSI (pay related social insurance) and/or the universal social charge. An Irish resident or ordinarily resident individual share owner will not be entitled to claim a credit for, or repayment of, the UK tax credit attaching to such dividends.

## Scrip Dividend Scheme

2.16 An Irish resident corporate share owner who receives dividends from WPP DAS Limited will be subject to Irish corporation tax on the cash dividend received at the rate of either 12.5 per cent. or 25 per cent., depending on their particular circumstances. Certain corporate share owners may however be exempt from Irish corporation tax in respect of the receipt of a dividend from WPP DAS Limited. An Irish resident corporate share owner will not be entitled to claim a credit for, or repayment of, the UK tax credit attaching to such dividends.

2.17 As the relevant dividends should not be treated as having an Irish source, share owners who are not resident or ordinarily resident in Ireland should not generally be subject to Irish tax on dividends received from WPP DAS Limited. Such share owners may be subject to foreign tax on dividends received under the local law of their jurisdiction of residence.

### **Irish dividend withholding tax in respect of dividends paid by WPP DAS Limited**

2.18 If a share owner receives dividends from WPP DAS Limited, those dividends should not be treated as having been received from an Irish source and, therefore, no charge to Irish dividend withholding tax should arise in respect of the payment of any such dividends.

## **3. Jersey Taxation**

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### **General**

3.1 The following summary of the anticipated tax treatment of the Scrip Dividend Scheme for the Company and share owners is based on Jersey taxation law. It does not constitute legal or tax advice. Share owners should consult their professional advisers on the implications of electing into the Scrip Dividend Scheme under the laws of the jurisdictions in which they may be liable to taxation. Share owners should be aware that tax laws, rules and practice and their interpretation may change.

### **Issue of New Shares under the Scrip Dividend Scheme**

3.2 The Company will be entitled to issue New Shares under the Scrip Dividend Scheme without any withholding or deduction for or on account of Jersey income tax. Share owners (other than residents of Jersey) will not be subject to tax in Jersey in respect of the receipt, holding, sale or other disposition of New Shares.

### **Stamp Duty**

3.3 No stamp duty will be payable in Jersey on the issue of New Shares under the Scrip Dividend Scheme.

## **4. United Kingdom Taxation**

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### **General**

4.1 The following paragraphs summarise certain UK tax implications of the issue of New Shares under the Scrip Dividend Scheme, the payment of cash dividends by the Company and the payment of cash dividends by WPP DAS Limited under the Dividend Access Plan. The paragraphs are intended as a general guide and apply only to share owners who are resident only and, if individuals, ordinarily resident and domiciled in the UK for tax purposes. They relate only to such share owners who will hold the New Shares directly as an investment and who are the absolute beneficial owners of those New Shares. These paragraphs do not deal with certain types of share owners, such as dealers in securities.

4.2 If you are in any doubt as to your taxation position or if you are resident or otherwise subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser immediately.

### **UK withholding tax**

4.3 No UK withholding tax is applicable to the issue of the New Shares under the Scrip Dividend Scheme. No UK withholding tax is applicable to the payment of a cash dividend by the Company or, in the case of the Dividend Access Plan, by WPP DAS Limited.

### **Direct tax**

#### *UK tax treatment for share owners who receive New Shares under the Scrip Dividend Scheme*

4.4 In the absence of any Irish withholding tax being levied on issues of New Shares under the Scrip Dividend Scheme (see paragraph 2.6 above), individual share owners should not be liable to UK income tax on receipt of the New Shares and share owners within the charge to UK corporation tax should not be subject to UK corporation tax on receipt of the New Shares. For the purposes of UK taxation of chargeable gains, the New Shares will be treated as being the same asset as the existing



holding of Shares (the **Original Holding**) in respect of which the Scrip Dividend Mandate Form was made and as having been acquired when the Original Holding was acquired (together, the **New Holding**). The New Holding will have the same base cost for chargeable gains purposes as the Original Holding. On a subsequent disposal of any of the New Shares, share owners may (depending upon their individual circumstances, which may include the availability of exemptions or reliefs) be subject to UK capital gains tax or UK corporation tax on chargeable gains.

4.5 If however Irish withholding tax is levied on the issue of New Shares under the Scrip Dividend Scheme (see paragraph 2 above), share owners will receive New Shares net of any such withholding (the **net amount**). The difference between the net amount and the amount of New Shares that would have been received by a share owner under the Scrip Dividend Scheme in the absence of that Irish withholding tax is likely to be treated in the same way as a cash dividend paid by the Company (as to which, see paragraph 4.6 below) and certain share owners may, subject to the completion of certain procedural formalities (as to which, see paragraph 2.6 above), be entitled to reclaim some or all of the Irish withholding tax or be entitled to relief at source in respect thereof.

*UK tax treatment for share owners who receive cash dividends paid by the Company or paid by WPP DAS Limited under the Dividend Access Plan*

4.6 In the absence of any Irish withholding tax being levied on cash dividends paid by the Company, a share owner who is an individual and who receives a cash dividend from the Company or, in the case of the Dividend Access Plan, from WPP DAS Limited should generally be entitled to a tax credit equal to one-ninth of the cash dividend. The dividend plus the tax credit (the **grossed up dividend**) will be part of that share owner's total income for UK income tax purposes and will be regarded as the highest part of that income. In calculating that share owner's liability to UK income tax in respect of the grossed up dividend, the tax credit is set off against the grossed up dividend.

A share owner who is liable to UK income tax at the starting or basic rate will therefore be subject to tax on the grossed up dividend at the rate of 10 per cent., meaning that such an individual should have no further liability to UK income tax in respect of the grossed up dividend. Share owners who are liable to UK income tax at the higher or additional rates will be subject to tax on the grossed up dividend at the rate of 32.5 per cent. and 42.5 per cent. respectively (in each case to the extent that the dividend falls above the threshold for the higher or additional rate of UK income tax). Accordingly, the tax credit would satisfy only part of the liability of such share owners to UK income tax in respect of the receipt of the dividend.

Share owners within the charge to UK corporation tax will not generally be subject to UK corporation tax on receipt of a cash dividend from the Company or, in the case of the Dividend Access Plan, from WPP DAS Limited.

The introduction of the Scrip Dividend Scheme by the Company is not of itself expected to affect the UK tax treatment of cash dividends paid by WPP DAS Limited under the Dividend Access Plan.

4.7 If Irish withholding tax is levied on the payment of cash dividends by the Company (see paragraph 2 above), share owners will receive cash dividends net of any such withholding. Certain share owners may, subject to the completion of certain procedural formalities (as to which, see paragraph 2 above), be entitled to reclaim some or all of the Irish withholding tax or be entitled to relief at source in respect thereof.

### **Pension funds**

4.8 No tax credit will be available in respect of New Shares issued under the Scrip Dividend Scheme to pension funds. No tax credit will be available in respect of cash dividends received by pension funds from the Company or, in the case of the Dividend Access Plan, from WPP DAS Limited.

### **Stamp duty and stamp duty reserve tax**

4.9 No United Kingdom stamp duty or stamp duty reserve tax is payable in respect of the issue of the New Shares under the Scrip Dividend Scheme, the payment of a cash dividend by the Company or the payment of a cash dividend by WPP DAS Limited under the Dividend Access Plan.

## Part 4

### Definitions

The following definitions apply throughout this document unless otherwise stated or the context otherwise requires:

#### Computershare or the Company's Registrar

Computershare Investor Services (Jersey) Limited

#### CREST

the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited in accordance with the CREST Regulations

#### CREST Regulations

the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended

#### Directors

the directors of WPP plc

#### Disclosure and Transparency Rules

the Disclosure and Transparency Rules made under Part VI of FSMA (as set out in the FSA Handbook), as amended

#### Dividend Access Plan

the dividend access plan of WPP plc as set out in the WPP plc Dividend Access Plan Rules, as amended from time to time

#### Election Notice

the form of election notice to participate in the Dividend Access Plan, which is available upon request from the Company's Registrar and will also be available to download from the Company's website [www.wpp.com](http://www.wpp.com)

#### Listing Rules

the Listing Rules made under Part VI of FSMA (as set out in the FSA Handbook), as amended

#### London Stock Exchange

London Stock Exchange plc

#### New Shares

the new Shares to be issued by the Company under the Scrip Dividend Scheme

#### Scrip Dividend Mandate or Mandate

the instructions of a share owner as set out in a valid Scrip Dividend Mandate Form or as detailed in an election made using the CREST Dividend Election Input Message system

#### Scrip Dividend Mandate Form or Mandate Form

a mandate, in a form provided by the Company, from a share owner to the Directors to allot New Shares under the terms of the Scrip Dividend Scheme in lieu of a cash dividend to which they may become entitled from time to time

#### Scrip Dividend Scheme

the WPP plc Scrip Dividend Scheme as set out in this document, including the terms and conditions contained in Part 2 of this document, as amended from time to time

#### second interim dividend for 2010

the second interim dividend of 11.82 pence per Share which was announced on 4 March 2011 and which is proposed to be paid on 4 July 2011 to share owners who were on the register on 3 June 2011

#### share owner

a holder of Shares in the Company

#### Shares or WPP Shares

ordinary shares of 10 pence each in the capital of the Company

#### UK or United Kingdom

means the United Kingdom of Great Britain and Northern Ireland

#### UKLA

the United Kingdom Listing Authority

#### WPP or Company

WPP plc, incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 101749