

CAREY W P & CO LLC
Form DEF 14A
April 30, 2009

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
Schedule 14A Information**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

W. P. Carey & Co. LLC
(Name of Registrant as Specified In Its Charter)

W. P. Carey & Co. LLC
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):
 No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 30, 2009

**Notice of Annual Meeting of Shareholders
To Be Held Thursday, June 11, 2009**

Dear W. P. Carey & Co. LLC Shareholder:

The 2009 Annual Meeting of Shareholders of W. P. Carey & Co. LLC will be held at TheTimesCenter, 242 West 41st Street, New York, New York, 10018, on Thursday, June 11, 2009 at 4:00 p.m. for the following purposes:

To elect twelve Directors for 2009;

To approve the W. P. Carey & Co. LLC 2009 Share Incentive Plan;

To approve the W. P. Carey & Co. LLC 2009 Non-Employee Directors Incentive Plan;

To transact such other business as may properly come before the meeting and any adjournment thereof.

Only shareholders who owned stock at the close of business on April 16, 2009 are entitled to vote at the meeting. W. P. Carey & Co. LLC mailed the attached Proxy Statement, proxy card and its Annual Report to shareholders on or about May 1, 2009.

By Order of the Board of Directors

Susan C. Hyde

Managing Director and Secretary

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. You may vote your shares by using the telephone or through the Internet. Instructions for using these services are set forth on the enclosed proxy card. You may also vote your shares by marking your votes on the enclosed proxy card, signing and dating it and mailing it in the business reply envelope provided. If you attend the Annual Meeting, you may withdraw your proxy and vote in person.

**Important Notice Regarding Availability of Proxy Materials
For the 2009 Annual Meeting of Shareholders to Be Held on June 11, 2009**

This Proxy Statement and the Annual Report to Shareholders
are available at www.proxyvote.com

W. P. CAREY & CO. LLC

**PROXY STATEMENT
MAY 1, 2009**

QUESTIONS & ANSWERS

The accompanying Proxy is solicited by the Board of Directors of W. P. Carey & Co. LLC, a Delaware limited liability company, for use at its annual meeting of shareholders (the Annual Meeting) to be held at TheTimesCenter, 242 West 41st Street, New York, New York, 10018 on Thursday, June 11, 2009 at 4:00 p.m., or any adjournment thereof. As used herein, W. P. Carey & Co., the Company, we, and us refer to W. P. Carey & Co. LLC. References in this Proxy Statement to W. P. Carey & Co. LLC or the Company include W. P. Carey & Co. LLC's affiliates and subsidiaries, except where the context otherwise indicates.

Who is soliciting my proxy?

The Directors of W. P. Carey & Co. LLC are sending you this Proxy Statement and enclosed proxy.

Why did I receive a Notice in the mail regarding the Internet availability of the proxy materials this year instead of a paper copy of the proxy materials?

This year, we are pleased to be using a rule of the Securities and Exchange Commission, also known as the SEC, that allows companies to furnish their proxy materials over the Internet. As a result, we are mailing to many of our shareholders a Notice about the Internet availability of the proxy materials instead of a paper copy of the proxy materials. All shareholders receiving the Notice will have the ability to access the proxy materials over the Internet and request to receive a paper copy of the proxy materials by mail. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found on the Notice.

Why didn't I receive a Notice about the Internet availability of the proxy materials?

We are providing some of our shareholders, including shareholders who have previously requested to receive paper copies of the proxy materials, with paper copies of the proxy materials instead of a Notice about the Internet availability of the proxy materials.

How can I access the proxy materials over the Internet?

Your Notice about the Internet availability of the proxy materials, proxy card or voting instruction card will contain instructions on how to view our proxy materials for the Annual Meeting on the Internet.

How may I obtain a paper copy of the proxy materials?

Shareholders receiving a Notice about the Internet availability of the proxy materials will find instructions about how to obtain a paper copy of the proxy materials on their Notice. All shareholders who do not receive the Notice will receive a paper copy of the proxy materials by mail.

Who is entitled to vote?

W. P. Carey & Co. LLC's shareholders as of the close of business on April 16, 2009 (the Record Date) are entitled to vote at the Annual Meeting.

How do I vote?

You may vote your shares either by attending the Annual Meeting, by telephone, through the Internet, or by mail by following the instructions provided in the Notice or the printed copy of the proxy materials. If you hold your shares in street name through a broker or other nominee, you must follow the instructions provided by your broker or nominee to vote your shares. If you are a shareholder of record and received a printed copy of the proxy materials, to

vote by proxy, sign and date the enclosed proxy card and return it in the enclosed envelope. If you return your proxy card but fail to mark your voting preference, your shares will be voted FOR each of the nominees, FOR Proposals 2 and 3, and in the discretion of the proxy holders, if any other matter properly comes before the meeting. We suggest that you return a proxy even if you plan to attend the Annual Meeting.

May I revoke my proxy?

Yes, if you are a shareholder of record, you may revoke your proxy at any time before the meeting by notifying W. P. Carey & Co. LLC's Secretary or submitting a new proxy, or by voting in person at the Annual Meeting. You should mail any notice of revocation of proxy to Susan C. Hyde, Secretary, W. P. Carey & Co. LLC, 50 Rockefeller Plaza, New York, New York 10020.

How many shares may vote?

At the close of business on the Record Date, W. P. Carey & Co. LLC had 39,099,668 shares of its Common Stock outstanding and entitled to vote. Every shareholder is entitled to one vote for each share held.

What is a quorum?

A quorum is the presence, either in person or represented by proxy, of a majority of the shares entitled to vote at the meeting. There must be a quorum for the meeting to be held.

How many votes are required at the meeting for shareholder approval?

Assuming a quorum is present, with respect to the election of Directors, each share may be voted for as many individuals as there are Directors to be elected. A plurality of all the votes cast shall be sufficient to elect a Director. With respect to Proposals Two and Three, the affirmative vote of a majority of the votes cast by the shareholders, in person or by proxy and entitled to vote, is necessary for approval. Abstentions and broker non-votes, which arise when a broker cannot vote on a particular matter because the matter is not routine and the beneficial owner of the shares has not given applicable instructions to the broker, are counted for quorum purposes but are not counted as votes for or against any matter. For these reasons, for any matter before the shareholders at the meeting, abstentions and broker non-votes have no effect on whether the votes cast at the meeting are enough for approval of the matter.

How will voting on shareholder proposals be conducted?

We do not know of any other matters that are likely to be brought before the meeting. However, if any other matters properly come before the Annual Meeting, your signed proxy gives authority to the persons named in the enclosed proxy to vote your shares on such matters in accordance with their best judgment to the extent permitted by applicable law.

Who will pay the cost for this proxy solicitation and how much will it cost?

W. P. Carey & Co. LLC will pay the cost of preparing, assembling and mailing the Notice about Internet availability, this Proxy Statement, the Notice of Meeting and the enclosed proxy card. In addition to the solicitation of proxies by mail, we may utilize some of the officers and employees of our wholly-owned subsidiaries, Carey Asset Management Corp. (Carey Asset Management) and Carey Management Services, Inc. (Carey Management Services) (who will receive no compensation in addition to their regular salaries), to solicit proxies personally and by telephone. Currently, we do not intend to retain a solicitation firm to assist in the solicitation of proxies, but if sufficient proxies are not returned to us, we may retain an outside firm to assist in proxy solicitation for a fee estimated to be \$30,000 or less,

plus out-of-pocket expenses. We may request banks, brokers and other custodians, nominees and fiduciaries to forward copies of the proxy materials to their principals and to request authority for the execution of proxies and will reimburse such persons for their expenses in so doing. We expect the total cost of this solicitation, assuming an outside proxy firm is not needed, to be approximately \$65,000.

W. P. Carey & Co. LLC will provide shareholders, without charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2008, including the financial statements and management's report of internal controls over financial reporting and schedules attached thereto, but excluding exhibits (the 2008 Form 10-K), which was filed with the SEC on March 2, 2009, upon written request to Ms. Susan C. Hyde, Director of Investor Relations, W. P. Carey & Co. LLC, 50 Rockefeller Plaza, New York, New York 10020.

PROPOSAL ONE

ELECTION OF DIRECTORS

At the Annual Meeting, you and the other shareholders will elect twelve Directors, each to hold office until the next annual meeting of shareholders except in the event of death, resignation or removal. If a nominee is unavailable for election, the Board may reduce its size or designate a substitute. If a substitute is designated, proxies voting on the original nominee will be cast for the substituted nominee. Currently, the Board is unaware of any circumstances that would result in a nominee being unavailable. All of the nominees are now members of the Board of Directors.

NOMINATING PROCEDURES

The Nominating and Corporate Governance Committee considers candidates for Board membership suggested by its members and other Board members, as well as by management and shareholders. A shareholder who wishes to recommend a prospective nominee for the Board should notify our Corporate Secretary or any member of the Nominating and Corporate Governance Committee in writing with the information and in the time period required by our By-Laws, which is set forth in more detail in *Shareholder Proposals and Other Communications* below.

Once the Nominating and Corporate Governance Committee has identified a prospective nominee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. This initial determination is based on whatever information is provided to the Committee with the recommendation of the prospective candidate, as well as the Committee's own knowledge of the prospective candidate, which may be supplemented by inquiries to the person making the recommendation or others. The preliminary determination is based primarily on the need for additional Board members to fill vacancies or expand the size of the Board and the likelihood that the prospective nominee can satisfy the evaluation factors described below. If the Committee determines, in consultation with the Chairman of the Board and other Board members as appropriate, that additional consideration is warranted, it may request a search firm to gather additional information about the prospective nominee's background and experience and to report its findings to the Committee. The Committee then evaluates the prospective nominee's qualifications. As set forth in our Corporate Governance Guidelines, there are no firm prerequisites to qualify as a candidate for the Board, although the Board seeks candidates who possess the background, skills, expertise, characteristics and time to make a significant contribution to the Board, W. P. Carey & Co. LLC and its shareholders. At least annually, the Nominating and Corporate Governance Committee reviews the qualifications and backgrounds of the Directors, as well as the overall composition of the Board.

The Committee also considers such other relevant factors as it deems appropriate, including the balance of management Directors and Independent Directors, the need for Audit Committee or other expertise, and the qualifications of other potential nominees. In connection with its evaluation, the Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Committee, and others as appropriate, interview prospective nominees in person or by telephone. After completing this evaluation and interview, the Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Committee.

NOMINEES FOR THE BOARD OF DIRECTORS

Unless otherwise specified, proxies will be voted for the election of the named nominees. Detailed information on each nominee for election to the Board of Directors is provided below.

Wm. Polk Carey

AGE: 78

Director Since: 1996

Mr. Carey, Chairman of the Board of Directors of W. P. Carey & Co. LLC, has been active in lease financing since 1959 and a specialist in net leasing of corporate real estate property since 1964. Mr. Carey also serves as Chairman of the Board of Corporate Property Associates 14 (CPA[®]:14), Corporate Property Associates 15 (CPA[®]:15), Corporate Property Associates 16 Global (CPA[®]:16 Global) and Corporate Property Associates 17 Global (CPA[®]:17 Global) and, together with CPA[®]:14, CPA[®]:15, and CPA[®]:16 Global, the CPA REITs), which are publicly owned, non-traded real estate investment trusts sponsored by the Company. He also served as the Co-Chief Executive Officer of W. P. Carey & Co. LLC, CPA[®]:14, CPA[®]:15 and CPA[®]:16 Global from 2002 until March 2005. Before founding W. P. Carey & Co., Inc. in 1973, he served as Chairman of the Executive Committee of Hubbard, Westervelt & Mottelay (subsequently Merrill Lynch Hubbard), head of Real Estate and Equipment Financing at Loeb Rhoades & Co. (subsequently Lehman Brothers) and Vice Chairman of the Investment Banking Board and Director of Corporate Finance of duPont Gloré Forgan Inc. A graduate of the University of Pennsylvania's Wharton School, Mr. Carey also received his Sc.D. *honoris causa* from Arizona State University, D.C.S. *honoris causa* from The City University of New York and D.C.L. *honoris causa* from the University of the South. He is a Trustee of The Johns Hopkins University and of other educational and philanthropic institutions. He serves as Chairman and a Trustee of the W. P. Carey Foundation and has served as Chairman of the Penn Institute for Economic Research. In the fall of 1999, Mr. Carey was Executive-in-Residence at Harvard Business School. Mr. Carey is the brother of Francis J. Carey, a Director.

Gordon F. DuGan

AGE: 42

Director Since: 1997

Mr. DuGan has been President of W. P. Carey & Co. LLC since 1999 and Chief Executive Officer since 2005, having served as co-CEO since 2002. Prior to that, Mr. DuGan served in various capacities, including Deputy Head of Investment. Mr. DuGan serves as Chief Executive Officer of CPA[®]:14, CPA[®]:15, CPA[®]:16 Global and CPA[®]:17 Global and as Director of CPA[®]:15 and CPA[®]:17 Global. Mr. DuGan has served as a Director of CPA[®]:14 from June 2007 to July 2008, having previously served in that capacity from February 2005 to April 2006, and as a Director of CPA[®]:16 Global from December 2003 to July 2008. He serves as a Trustee of the W. P. Carey Foundation. He also serves on the Board of the New York Pops and is a member of the Young Presidents Organization and the Council on Foreign Relations. He recently joined the Advisory Board of The Innocence Project and the Advisory Board of India 2020, Limited a private equity firm investing in Indian middle-market businesses. He is a former member of the Board of NAREIT. Mr. DuGan received his B.S. in Economics from the Wharton School at the University of Pennsylvania.

Francis J. Carey

AGE: 83

Director Since: 1996

Mr. Carey was elected in 2000 as Vice Chairman of the Board of Directors and Chairman of the Executive Committee of the Board of Directors of W. P. Carey & Co. LLC. Mr. Carey retired from his position as Vice Chairman in March 2005; he continues to serve as Chairman of the Executive Committee and as Chief Ethics Officer of the Company. Mr. Carey served as Chairman, Chief Executive Officer and a Director of Carey Diversified LLC, the predecessor of W. P. Carey & Co. LLC, from 1997 to 2000. From 1987 to 1997, Mr. Carey held various positions with W. P. Carey & Co., Inc., a company wholly-owned by Wm. Polk Carey, and its affiliates, including as President and a Director of W. P. Carey & Co., Inc. and as President and Director of CPA[®]:10, CIP[®] and CPA[®]:12, REITs organized by those entities. Mr. Carey also served as a Director of W. P. Carey & Co., Inc. from its founding in 1973 until 1997 and has been President and a Director of that company from 2001 to the present. He has also served since 1990 as President

and a Trustee of the W. P. Carey Foundation. Prior to 1987, he was senior partner in Philadelphia, head of the real estate department nationally, and a member of the Executive Committee of Reed Smith LLP, a law firm. He served as a member of the Executive Committee and Board of Managers of the Western Savings Bank of Philadelphia from 1972 until its takeover by another bank in 1982, and is a former Chairman of the Real Property, Probate and Trust Section of the Pennsylvania Bar Association. He served as a member of the Board of Overseers of the School of Arts and Sciences at the University of Pennsylvania from 1983 to 1990. He has served as a Trustee of Germantown Academy in Fort Washington, Pennsylvania from 1961 to the present and as its President from 1966 to 1972. He has also served as a member of the Board of Trustees and Executive Committee of the Investment Program Association from 1990 to 2000, and as its Chairman from 1998 to 2000, and served on the Business Advisory Council of the Business Council for the United Nations from 1994 to 2002. He has served since 2002 on the Board of Trustees of the Maryland Historical Society and since 2006 as a Vice President and a member of its Executive Committee. Mr. Carey has also served from 2004 to 2007 as Chairman and Senior Warden of St. Martin's in the Field Episcopal Church in Biddeford Pool, Maine, and currently serves as its Warden at Large. He attended Princeton University, holds A.B. and J.D. degrees from the University of Pennsylvania, and completed executive programs in corporate finance and accounting at Stanford University Graduate School of Business and the Wharton School of the University of Pennsylvania. Mr. Carey is the brother of Wm. Polk Carey, the Company's Chairman.

Trevor P. Bond*

AGE: 47

Director Since: 2007

Mr. Bond served as an Independent Director and a member of the Audit Committees of CPA®:14, CPA®:15 and CPA®:16 Global, from 2005 to April 2007. Mr. Bond has been the managing member of a private investment vehicle investing in real estate limited partnerships Maidstone Investment Co., LLC, since 2002. Mr. Bond served in several management capacities for Credit Suisse First Boston from 1992 to 2002, including: co-founder of CSFB's Real Estate Equity Group, which managed approximately \$3 billion of real estate assets; founding team member of Praedium Recovery Fund, a \$100 million fund managing distressed real estate and mortgage debt; and as a member of the Principal Transactions Group managing \$100 million of distressed mortgage debt. Prior to CSFB, Mr. Bond served as an associate to the real estate and finance departments of Tishman Realty & Construction Co. and Goldman Sachs & Co. in New York. Mr. Bond also founded and managed an international trading company from 1985 to 1987 that sourced industrial products in China for U.S. manufacturers. Mr. Bond received an M.B.A. from Harvard University.

Nathaniel S. Coolidge*

AGE: 70

Director Since: 2002

Mr. Coolidge currently serves as Chairman of the Investment Committee. He has previously served as Chairman of the Audit Committee and is currently a member of that Committee. Mr. Coolidge, former Senior Vice President of John Hancock Mutual Life Insurance Company, retired in 1996 after 23 years of service. From 1986 to 1996, Mr. Coolidge headed the Bond and Corporate Finance Department, which was responsible for managing its entire fixed income investments portfolio. Prior to 1986, Mr. Coolidge served as Second Vice President and Senior Investment Officer. Mr. Coolidge is a graduate of Harvard University and served as a U.S. Naval officer.

Eberhard Faber, IV*

AGE: 72

Director Since: 1998

Mr. Faber currently serves as Lead Director and Chairman of the Nominating and Corporate Governance Committee. He serves as Chairman of the Board of King's College in Wilkes-Barre, Pennsylvania. Mr. Faber held various posts

with Eberhard Faber Inc., the worldwide manufacturer of writing products and art supplies, serving as Chairman and CEO from 1973 until 1987, when the company merged into Faber-Castell Corporation. He served as a Director of the Federal Reserve Bank of Philadelphia from 1980 to 1986, chairing its Budget and Operations Committee, and was Chairman of the Board of Citizen's Voice Newspaper from 1992 to 2002. Currently, he is a member of the Northeast Pennsylvania Advisory Board of PNC Bank, N.A., where he served as a Director from 1994

to 1998, a Trustee of the Geisinger Wyoming Valley Hospital and the Eberhard L. Faber Foundation, and a Borough Councilman of Bear Creek Village. In addition to graduating from Princeton University *magna cum laude*, he was a member of Phi Beta Kappa while serving as Chairman of The Daily Princetonian, and was a Fulbright Scholar and teaching fellow at the University of Caen in France. Mr. Faber also served as a Director of First Eastern Bank from 1986 to 1992 and as the Chairman of the Board from 1992 to 1994, when the bank was sold to PNC Bank, N.A.

Benjamin H. Griswold, IV*

AGE: 68

Director Since: 2006

Mr. Griswold currently serves as Chairman of the Compensation Committee. Mr. Griswold is a partner and chairman of Brown Advisory, a Baltimore-based firm providing asset management and strategic advisory services in the U.S. and abroad. Prior to joining Brown Advisory as senior partner in March 2005, Mr. Griswold had served as Senior Chairman of Deutsche Bank Securities Inc. He had served as Senior Chairman of Deutsche Banc Alex. Brown, the predecessor of Deutsche Bank Securities Inc., since the acquisition of Bankers Trust by Deutsche Bank in 1999. Mr. Griswold began his career at Alex. Brown & Sons in 1967, and became a partner of the firm in 1972. He headed the company's research department, equity trading and equity division prior to being elected Vice Chairman of the Board and Director in 1984, and Chairman of the Board in 1987. Upon the acquisition of Alex. Brown by Bankers Trust New York Corporation in 1997, he became Senior Chairman of BT Alex. Brown. Mr. Griswold is a member of the boards of Black & Decker, Baltimore Life Insurance and Flowers Foods. A former Director of the New York Stock Exchange, he is active in civic affairs in the Baltimore area and serves on the board of Johns Hopkins University and heads the endowment board of the Baltimore Symphony Orchestra. Mr. Griswold received his B.A. from Princeton University, his M.B.A. from Harvard University and served as a U.S. Army officer.

Dr. Lawrence R. Klein*

AGE: 88

Director Since: 1998

Dr. Klein currently serves as Chairman of the Economic Policy Committee. He is Benjamin Franklin Professor Emeritus of Economics and Finance at the University of Pennsylvania and its Wharton School, having joined the faculty of the University in 1958. Dr. Klein is a holder of earned degrees from the University of California at Berkeley, the Massachusetts Institute of Technology, and has been awarded the Alfred Nobel Memorial Prize in Economic Sciences, as well as a number of honorary degrees. Founder of Wharton Econometric Forecasting Associates, Inc., Dr. Klein has been counselor to various corporations, governments and government agencies, including WealthEffect.com, the Federal Reserve Board and the President's Council of Economic Advisers. Dr. Klein joined W. P. Carey & Co., Inc. in 1984 as Chairman of the Economic Policy Committee and as a Director. He also serves as a Trustee of the W. P. Carey Foundation. Dr. Klein serves as a Director of a software company, Prognoz, in Philadelphia, PA. He is also Chairman of a Panel to survey world economic issues every fortnight at Global Insight, an economic consulting company in Waltham, MA.

Robert E. Mittelstaedt, Jr.*

AGE: 65

Director Since: 2007

Mr. Mittelstaedt currently serves as the Chairman of the Strategic Planning Committee. Mr. Mittelstaedt has served as dean of the W. P. Carey School of Business at Arizona State University since June 2004. He also serves on the Boards of Directors of Innovative Solutions & Support, Inc., Laboratory Corporation of America Inc. and ASU Research Park. Between 1973 and 2004, Mr. Mittelstaedt served in numerous positions at The Wharton School, most recently as Vice Dean, Executive Education, and Director of the Aresty Institute of Executive Education. From 1985-1990 he

co-founded, developed and sold Intellego, Inc., a company engaged in practice management, systems development and service bureau billing operations in the medical industry. He formerly served as a member of the corporate Boards of Directors of: A.G. Simpson Automotive, Inc., Dresser Insurance, Inc., HIP Foundation, Inc. and Intelligent Electronics, Inc. He served on the non-profit board of The Methodist Home for Children of Philadelphia. Mr. Mittelstaedt received his B.S. (Mechanical Engineering) from Tulane University and his MBA from the Wharton School at the University of Pennsylvania.

Charles E. Parente*

AGE: 68

Director Since: 2006

Mr. Parente currently serves as Chairman of the Audit Committee. Mr. Parente also serves as Chief Executive Officer of Pagnotti Enterprises, Inc., a diversified holding company whose primary business includes workers' compensation insurance, real estate, anthracite coal mining preparation and sales, and as Chairman and CEO of CP Media, LLC, a holding company that owns broadcast television stations. Mr. Parente has also served as a Director of Community Bank System, Inc., a bank holding company, and its affiliated bank, Community Bank, N.A., since May 2004. Prior to this, from 1988 through 1993, he served as President and CEO of C-TEC Corporation, a telecommunications and high-technology company. From 1970 through 1987, Mr. Parente was CEO and Managing Partner of Parente Randolph, LLC, the leading independent accounting and consulting firm in Pennsylvania and among the top 30 in the country. Before this, from 1962 through 1970, he was a Principal at Deloitte, Haskins & Sells, a public accounting firm. Mr. Parente is a member of the Board of Directors of: Sordoni Construction Services, Inc., a commercial construction and real estate development company; Circle Bolt & Nut Co., a distributor of industrial products; and Frank Martz Coach Co. & Subsidiaries, a diversified transportation company. He is active with various civic and community organizations, is past Chairman of the Board of Directors of the Wyoming Valley Health Care System, Inc. and is a board member of The Luzerne Foundation and King's College, where he also served as Chairman from 1989 through 1998. He is a Certified Public Accountant and is a member of the American Institute of Certified Public Accountants. He graduated cum laude from King's College in Wilkes-Barre, PA.

Dr. Karsten von Köller*

AGE: 69

Director Since: 2003

Dr. von Köller is currently Chairman of Lone Star Germany GmbH, Deputy Chairman of the Supervisory Board of Corealcredit Bank AG, Deputy Chairman of the Supervisory Board of MHB Bank AG, and Vice Chairman of the Supervisory Board of IKB Deutsche Industriebank AG. Dr. von Köller was Chief Executive Officer of Eurohypo AG until 2003.

Reginald Winssinger*

AGE: 66

Director Since: 1998

Mr. Winssinger is founder and Chairman of National Portfolio, Inc., an Arizona-based firm involved in acquisition, financing, management and construction of commercial, multi-family, industrial and land development real estate projects. He spent ten years at the Winssinger family real estate company, a third-generation Belgian real estate enterprise, before coming to the United States in 1979 to expand their investment activity. Over a 20-year period he created and managed a \$500 million portfolio of U.S. real estate investment for U.S. and European investors. He later formed Horizon Real Estate Group, Inc., doing business as NAI Horizon in Phoenix, Arizona, a full service real estate firm providing brokerage, property management, construction management and real estate consulting services. He also serves as a Director of Carey Storage Asset Management, LLC, a subsidiary of the Company. Mr. Winssinger currently manages multiple companies with real estate investments primarily in Arizona, California and Texas. He also serves as a Director of Pierce-Eislen, Inc., and is the Honorary Consul of Belgium to Arizona. He attended the Sorbonne and is an alumnus of the University of California at Berkeley.

* Independent Director

COMMITTEES OF THE BOARD OF DIRECTORS

Members of the Board of Directors have been appointed to serve on various committees of the Board of Directors. The Board of Directors has currently established a Compensation Committee, an Audit Committee and a Nominating and Corporate Governance Committee, the functions of which are summarized below. The Board of Directors has also established an Executive Committee, which has the authority, subject to certain limitations, to exercise the powers of the Board of Directors during intervals between meetings of the full Board of Directors, an Economic Policy Committee, which is available to render advice on economic policy matters affecting the Company, and a Strategic Planning Committee, which reviews and oversees the Company's strategic planning processes.

Compensation Committee. The Compensation Committee's responsibilities include setting compensation principles that apply generally to Company employees; reviewing and making recommendations to the Board of Directors with respect to compensation for Directors; reviewing the compensation structure for all current key executives, including incentive compensation plans and equity-based plans; reviewing goals and objectives relevant to Executive Officers' compensation, evaluating the Executive Officers' performance and approving their compensation levels and annual and long-term awards; and reviewing and approving the number of shares, price per share and period of duration for stock grants under any approved share incentive plan. There were five Compensation Committee meetings held during 2008.

Audit Committee. The Audit Committee has been established to assist the Board of Directors in monitoring the integrity of the financial statements and management's report of internal controls over financial reporting of the Company, the compliance by the Company with legal and regulatory requirements and the independence, qualifications and performance of the Company's internal audit function and Independent Registered Public Accounting Firm. Among the responsibilities of the Audit Committee are to engage an Independent Registered Public Accounting Firm, review with the Independent Registered Public Accounting Firm the plans and results of the audit engagement, approve professional services provided by the Independent Registered Public Accounting Firm, review the independence of the Independent Registered Public Accounting Firm and consider the range of audit and non-audit fees. The Committee ratifies the engagement of the internal auditors and reviews the scope of their internal audit plan. The Committee also reviews and discusses with management the internal auditors and the Independent Registered Public Accounting Firm, the Company's internal controls and reviews the results of the internal audit program. There were eight Audit Committee meetings held during 2008.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for developing and implementing policies and practices relating to corporate governance, including monitoring implementation of W. P. Carey & Co. LLC's corporate governance policies. In addition, the Committee develops and reviews background information for candidates for the Board of Directors, including those recommended by shareholders, and makes recommendations to the Board regarding such candidates. The Nominating and Corporate Governance Committee met five times during 2008.

The Board has adopted written charters for each of the Compensation, Audit, and Nominating and Corporate Governance Committees, each of which can be viewed on our website, www.wpcarey.com, under the heading Investor Relations. Printed copies of each may also be obtained upon a request submitted to our Investor Relations department.

Certain members of the Board are also members of the Investment Committee of Carey Asset Management, a subsidiary of the Company that provides advisory services to the CPA® REITs and may also provide services to the Company. Before a property is acquired by a CPA® REIT, the transaction is reviewed by the Investment Committee

to ensure that it satisfies the relevant CPA[®] REIT's investment criteria. The Investment Committee is not directly involved in originating or negotiating potential investments but instead functions as a separate and final step in the investment process. In addition, the Investment Committee may at the request of our Board of Directors or Executive Committee also review any initial investment in which W. P. Carey & Co. LLC proposes to engage directly. Directors of W. P. Carey & Co. LLC who also serve on the Investment Committee are Messrs. Bond, Coolidge (Chairman), Klein and von Köller.

Board Meetings and Directors Attendance

There were four regular quarterly and three special Board meetings held in 2008, and each Director attended at least seventy-five percent of the aggregate of such meetings and of the meetings held during the year by the Committees of which he was a member. Under our Corporate Governance Guidelines, each Director is required to make every effort to attend each Board meeting, and applicable Committee meetings, except in unavoidable circumstances.

Since December 2006, Eberhard Faber, IV has served as Lead Director. His primary responsibility as Lead Director is to preside over periodic executive sessions of the Board in which management Directors and other members of management will not participate.

BOARD COMMITTEE MEMBERSHIP ROSTER

Name	Executive	Compensation	Audit	Nominating and Corporate Governance	Economic Policy	Strategic Planning
Wm. Polk Carey	X					X
Gordon F. DuGan	X					X
Francis J. Carey	X*					
Trevor P. Bond		X	X			
Nathaniel S. Coolidge			X			
Eberhard Faber, IV	X		X	X*		X
Benjamin H. Griswold, IV	X	X*		X		X
Lawrence R. Klein				X	X*	
Robert E. Mittelstaedt, Jr.				X		X*
Charles E. Parente**		X	X*			X
Karsten von Köller					X	
Reginald Winssinger		X		X		

* Chairman of Committee

** Financial Expert

The Board of Directors has determined that none of the Directors who currently serve on the Compensation, Audit, or Nominating and Corporate Governance Committees has a relationship to W. P. Carey & Co. LLC that may interfere with his independence from W. P. Carey & Co. LLC and its management, and therefore all such Directors are independent as defined in the Listing Standards of the New York Stock Exchange, which we also refer to in this Proxy Statement as the Exchange. Directors who serve on the Audit Committee also satisfy the SEC's standards for audit committee membership.

Compensation of the Board of Directors

W. P. Carey & Co. LLC pays its Directors who are not its officers or employees or retired officers or employees fees for their services as Directors. From January 1, 2008 through September 17, 2008, Board meeting annual compensation included a \$1,250 cash fee per regular quarterly meeting attended, a retainer of \$7,500 in cash payable quarterly (for a total of \$30,000 annually), and \$7,500 payable quarterly in the form of restricted shares of Common

Stock, issuable under the Company's 1997 Non-Employee Directors Incentive Plan. The number of shares of restricted stock issued was calculated by dividing the dollar amount of the quarterly grant by .93, to take into consideration vesting of the shares ratably over three years, and dividing that amount by the closing price of the Common Stock on the date of grant. During 2008, the Board, based on the advice of an independent compensation consultant, Watson Wyatt Worldwide, determined to change certain aspects of Board compensation, commencing with the September 18, 2008 Board meeting: the per meeting cash fee was increased to \$1,500 and extended to include telephonic meetings; the annual cash retainer was increased to \$50,000; members of the Audit, Compensation, and Nominating and Corporate Governance Committee meetings were to receive a fee of \$1,500 per committee meeting; and, subject to the approval of the shareholders at the Annual Meeting, the \$7,500 quarterly

payment of restricted was replaced by an annual grant of restricted stock units (also referred to in this Proxy Statement as RSUs) with a total value of \$50,000, which are immediately vested but are required to be deferred until the Director completes his or her service on the Board, as more fully described under Proposal Three below.

Mr. Griswold receives an additional \$10,000 per year for serving as the Chairman of the Compensation Committee and \$10,000 per year for serving as a member of the Executive Committee. Mr. Parente receives \$10,000 per year for serving as Chairman of the Audit Committee and received \$7,500 in 2008 for serving as the Chairman of the Strategic Planning Committee from January 1, 2008 through the September 17, 2008 Board meeting. Mr. Faber receives \$10,000 per year for serving as Chairman of the Nominating and Corporate Governance Committee, \$10,000 per year for serving as Lead Director and \$10,000 per year for serving as a member of the Executive Committee. Mr. Mittelstaedt receives \$10,000 per year for serving as Chairman of the Strategic Planning Committee, having received \$2,500 in 2008 for serving in that capacity commencing with the September 17, 2008 Board meeting. All of such fees are payable in cash quarterly. Messrs. Bond, Coolidge, Klein and von Köller are also members of the Investment Committee of Carey Asset Management, and each receives a cash fee of \$1,500 per Investment Committee meeting attended. Mr. Coolidge receives an additional \$20,000 per year cash fee for serving as Chairman of the Investment Committee. In addition, Messrs. Bond, Klein, von Köller and Winssinger are members of the Board of Directors of W. P. Carey International LLC, a subsidiary of the Company that structures net lease transactions on behalf of the CPA® REITs outside of the United States (WPCI), for which service they receive \$10,000 in annual fees, payable in cash quarterly. Mr. Bond receives an additional \$10,000 per year for serving on the Investment Advisory Committee for WPCI-Asia. Mr. von Köller receives an additional \$5,000 in fees annually for serving on the Board of Directors of W. P. Carey & Co. BV, a Netherlands subsidiary of the Company that manages international assets for the Company as well as the CPA REITs. Mr. Winssinger is a member of the Board of Directors of Carey Storage Asset Management, a subsidiary of the Company, and he receives \$25,000 per year for such Board service, payable in cash monthly. Messrs. Wm. Polk Carey, Francis J. Carey, and DuGan, who are officers or employees of W. P. Carey & Co. LLC and/or its subsidiaries, are also Directors and are not paid any Director fees.

DIRECTOR COMPENSATION TABLE FISCAL 2008

Name	Fees Earned or Paid in Cash (\$)	Stock Awards⁽¹⁾ (\$)	Option Awards⁽¹⁾ (\$)	Total (\$)
Trevor P. Bond	71,500	28,580	4,011	104,091
Nathaniel S. Coolidge	77,000	27,624	0	104,624
Eberhard Faber, IV	73,500	27,624	0	101,124
Benjamin H. Griswold, IV	60,500	29,317	3,354	93,171
Lawrence R. Klein	70,000	27,624	0	97,624
Robert E. Mittelstaedt, Jr.	44,500	24,814	2,617	71,931
Charles E. Parente	61,000	22,216	2,659	85,875
Karsten von Köller	55,000	27,624	0	82,624
Reginald Winssinger	72,833	27,624	0	100,457

⁽¹⁾ Amounts in these columns reflect the expense recognized for financial statement reporting purposes for the indicated fiscal year, in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), Shared Based Payment, or SFAS 123R, with respect to awards of options and shares of time-based restricted stock, which may include awards made during the indicated year or earlier; however, the estimate of forfeitures related to service-based vesting conditions is disregarded for purposes of this valuation. Awards of restricted stock during 2008 were all made pursuant to the 1997 Non-Employee Directors Incentive Plan. There were no

option awards, non-equity incentive compensation or nonqualified deferred compensation granted to the Directors during 2008. For each of the Directors, the fair value of their restricted stock awards on the respective grant dates, computed in accordance with SFAS 123R, was: \$8,041 on January 1, 2008; \$8,057 on April 1, 2008; and \$8,045 on July 1, 2008. The assumptions on which these valuations are based are set forth in Note 15 to the consolidated financial statements included in the 2008 Form 10-K. In October 2008, each of the directors received a grant of 1,429 RSUs under the Company's 2009 Non-Employee Directors' Incentive Plan, which was

adopted by the Board in 2008 and is more fully described in Proposal Three below, subject to the approval of the shareholders of that Plan at the Annual Meeting. These RSUs are not reflected in the table above (or the table below) due to their contingent nature as of December 31, 2008.

The following table reflects Independent Director restricted stock and option awards outstanding as of December 31, 2008.

	Total Restricted Stock Awards	Total Option Awards	Total Option Awards Vested
	Unvested	Unvested	
Trevor P. Bond	2,122	2,667	1,333
Nathaniel S. Coolidge	1,873	0	4,000
Eberhard Faber, IV	1,873	0	0
Benjamin H. Griswold, IV	2,298	2,667	1,333
Lawrence R. Klein	1,873	0	0
Robert E. Mittelstaedt, Jr	1,962	2,667	1,333
Charles E. Parente	2,085	2,667	1,333
Karsten von Köller	1,873	0	4,000
Reginald Winssinger	1,873	0	0

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS, DIRECTORS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of Common Stock as of the Record Date by each of W. P. Carey & Co. LLC's nominees for election as Director, each of the named executive officers listed in the Summary Compensation Table below (NEOs), all Directors and Executive Officers as a group, and each person known to the Company to own beneficially more than 5% of the Common Stock. Fractional shares are rounded to the nearest full share. The business address of each of the individuals listed is c/o W. P. Carey & Co. LLC, 50 Rockefeller Plaza, New York, NY 10020. Except as noted below, none of the shares has been pledged as collateral.

Name of Beneficial Owner	Amount of Shares Beneficially Owned⁽¹⁾	Percentage of Class
Wm. Polk Carey ⁽²⁾⁽³⁾	12,147,869	31.07%
Gordon F. DuGan ⁽²⁾⁽⁴⁾	724,839	1.54%
Francis J. Carey ⁽²⁾⁽⁵⁾	499,963	1.28%
Trevor P. Bond ⁽⁶⁾	16,150	*
Nathaniel S. Coolidge ⁽¹⁰⁾	9,167	*
Mark J. DeCesaris ⁽²⁾⁽⁷⁾	64,916	*
Eberhard Faber, IV ⁽⁸⁾	30,188	*
Benjamin H. Griswold, IV ⁽⁶⁾	97,214	*
Dr. Lawrence R. Klein	3,458	*

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Edward V. LaPuma ⁽²⁾⁽⁹⁾	145,327	*
Robert E. Mittelstaedt ⁽⁶⁾	5,877	*
Charles E. Parente ⁽⁶⁾	21,377	*
Reginald Winssinger	18,680	*
Dr. Karsten von Köller ⁽¹⁰⁾	11,129	*
Thomas E. Zacharias ⁽²⁾⁽¹¹⁾	223,529	*
All Directors and Executive Officers as a Group (16 individuals) ⁽²⁾	14,024,432	35.87%

* Less than 1%

- (1) Beneficial ownership has been determined in accordance with the rules of the SEC. Except as noted, and except for any community property interest owned by spouses, the listed individuals have sole investment power and sole voting power as to all shares of which they are identified as being the beneficial owners.
- (2) The amounts shown do not include 1,395 shares that the listed Executive Officer has the right to acquire within 60 days under the Company's employee stock purchase plan, or ESPP, assuming each individual purchases the maximum number of shares he is eligible to purchase and assuming a per-share purchase price of \$17.92 (based on 85% of the price of the Common Stock on the first day of trading under the semi-annual purchase period pursuant to the terms of the ESPP as more fully described under Equity Compensation Plan Information below).
- (3) The amount shown includes 7,170,012 shares held by W. P. Carey & Co., Inc. and 85,671 shares held by Carey Asset Management, both of which Mr. Wm. Polk Carey is deemed to beneficially own. This amount also includes 334,451 shares that Mr. Carey has the right to acquire through the exercise of stock options within 60 days under the Company's 1997 Share Incentive Plan, including those issued in connection with the Company's Partnership Equity Unit Plans, which we collectively refer to as the PEP Plan. The amount shown includes 1 million shares that have been pledged.
- (4) The amount shown includes 127,760 shares that Mr. DuGan has the right to acquire through the exercise of stock options within 60 days under the 1997 Share Incentive Plan, including those issued in connection with the PEP Plan.
- (5) The amount shown includes 399,962 shares that have been pledged.
- (6) The amount shown includes 1,333 shares this Director has the right to acquire through the exercise of stock options within 60 days under the 1997 Non-Employee Director Plan.
- (7) The amount shown includes 50,000 shares that Mr. DeCesaris has the right to acquire through the exercise of stock options within 60 days under the 1997 Share Incentive Plan.
- (8) The amount shown includes 4,675 shares held by the Faber Family Trust, of which Mr. Faber is a trustee and a beneficiary, and 1,100 shares owned by Mr. Faber's spouse. It does not include 1,590 shares held by the Faber Foundation.
- (9) The amount shown includes 38,826 shares that Mr. LaPuma has the right to acquire through the exercise of stock options within 60 days under the 1997 Share Incentive Plan, including those issued in connection with the PEP Plan.
- (10) The amount shown includes 4,000 shares that the Director has the right to acquire through the exercise of stock options within 60 days under the 1997 Non-Employee Director Plan.
- (11) The amount shown includes 174,044 shares that Mr. Zacharias has the right to acquire through the exercise of stock options within 60 days under the 1997 Share Incentive Plan.

PROPOSAL TWO

APPROVAL OF ADOPTION OF 2009 SHARE INCENTIVE PLAN

As adopted by the Board of Directors, the Company's 2009 Share Incentive Plan (the "Plan") will be effective on June 11, 2009, contingent upon approval by the Company's shareholders. If approved by shareholders at the Annual Meeting, the Plan will replace the predecessor plan, the 1997 Share Incentive Plan, except with respect to outstanding contractual obligations under the predecessor plan, so that no further awards can be made under that plan.

The principal features of the Plan are summarized below. The summary is qualified in its entirety by the full text of the Plan, which is set forth as Exhibit A to this Proxy Statement.

The Board of Directors recommends that the shareholders vote FOR approval of the adoption of the Plan. Unless otherwise specified thereon, proxies received in the accompanying form will be voted in favor of the approval of the Plan.

General

The purpose of the Plan is to encourage and enable the officers, employees and employee-directors, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary stake in the Company.

Employees, including officers and employee-directors of the Company or any subsidiary or affiliate, who are responsible for or contribute to the management, growth or profitability of the Company are eligible to receive awards under the Plan. It is currently expected that approximately 60 employees, 90 officers and 3 employee-directors will be eligible to participate in the Plan.

The aggregate number of shares of Common Stock, which we also refer to herein as shares, that may be issued under the Plan is 3.6 million, subject to proportionate adjustment in the event of share splits and similar events. No awards may be granted under the Plan subsequent to June 10, 2019.

If any award under the Plan is forfeited, canceled, reacquired by the Company, satisfied without the issuance of shares or otherwise terminated, other than by exercise, the number of shares subject to the award will be available for re-issuance under the Plan, provided that the participants have received no benefits of ownership of the underlying shares. Shares previously owned or acquired by an awardee that are delivered to the Company, and shares withheld from the award to pay the exercise price of an award or for purposes of satisfying a tax withholding obligation, will not become available for re-issuance under the Plan.

Administration

The Plan will be administered by the Compensation Committee (the Committee), consisting of not less than two members of the Board. Each member of the Committee must be a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934, also referred to as the Exchange Act, and an independent director under the rules of the New York Stock Exchange.

The Committee has full authority, in its discretion, to interpret the Plan and to select the persons who will receive awards and the number of shares to be covered by each award. The types of awards that the Committee has authority to grant are (1) share options, (2) restricted share awards, (3) RSUs, (4) performance share awards, (5) performance share units, or PSUs, and (6) dividend equivalent rights. Each of these types of awards is described below. The number of shares available under any outstanding awards and the exercise price of awards are adjusted in the event of share dividends and similar events.

Share Options

The Plan provides for the grant of share options. The option price for each share option may not be less than 100% of the fair market value of the Common Stock on the date the share option is granted. Fair market value, for purposes of the Plan, is the last reported sale price of the Common Stock as reported on the New York Stock Exchange for the date as of which fair market value is to be determined. On the Record Date, the fair market value of a share of Common Stock was \$22.50.

A share option becomes exercisable at such time or times and/or upon the occurrence of such event or events as the Committee may determine. No share option may be exercised after the expiration of ten years from the date of grant. A share option to the extent exercisable at any time may be exercised in whole or in part.

The following provisions of this paragraph will apply in the case of an optionee whose employment is terminated. If the employment of the optionee is terminated by reason of the optionee's disability, outstanding share options of the optionee will be exercisable (to the extent exercisable immediately prior to the termination of employment or such larger portion as the Committee may determine in its discretion) at any time prior to the expiration date of the share option or within twelve months after the date of termination of employment, whichever is the shorter period. Following the death of an optionee during employment or within a period following termination of employment during which a share option remains exercisable, outstanding share options of the optionee will be exercisable (to the extent exercisable immediately prior to the death of the optionee or such larger portion as the Committee may determine in its discretion in the case of an optionee who dies during employment) by

the legal representative or legatee of the optionee, at any time prior to the expiration date of the share option or within six months after the date of death of the optionee, whichever is the shorter period. If the employment of an optionee is terminated by the Company for cause, as defined in the Plan, all outstanding share options held by the optionee will immediately terminate unless otherwise determined by the Committee. All of the time periods for exercise of options described in this paragraph may be extended by the Committee, subject to the maximum ten year expiration date. If the employment of an optionee terminates for any reason other than for cause, disability or death, as described above, outstanding share options granted to the optionee may be exercised for such period as the Committee shall specify.

The exercise price for each share option will be payable in full in cash at the time of exercise; however, in lieu of cash the holder of a share option may, if authorized by the Committee, pay the option price in whole or in part by delivering to the Company, or by the Company withholding from the award, shares having a fair market value on the date of exercise of the share option equal to the exercise price for the shares being purchased, except that any portion of the exercise price representing a fraction of a share must be paid in cash.

No share option granted under the Plan is transferable other than by will or by the laws of descent and distribution, except for gifts for the benefit of a Plan participant's descendants for estate planning purposes or pursuant to a certified domestic relations order. A share option may be exercised during an optionee's lifetime only by the optionee.

Subject to the foregoing and the other provisions of the Plan, share options granted under the Plan may be exercised at such times and in such amounts and be subject to such restrictions and other terms and conditions, if any, as shall be determined, in its discretion, by the Committee.

Restricted Share Awards and Restricted Share Units

General. Restricted shares are an award of Common Stock, either at no cost or at a price determined by the Committee, subject to established restrictions and conditions. RSUs represent a right to receive shares or cash based upon established restrictions and conditions.

Restricted shares and RSUs will be subject to such restrictions (which may include restrictions on the right to transfer or encumber the shares or units while subject to restriction) as the Committee may impose and may be subject to forfeiture in whole or in part if certain events (which may, in the discretion of the Committee, include termination of employment and/or performance-based events) specified by the Committee occur prior to the lapse of the restrictions. The award agreement between the Company and the awardee will set forth the number of restricted shares or RSUs awarded to the awardee, the restrictions imposed thereon, the duration of such restrictions, the events the occurrence of which would cause a forfeiture of the restricted shares or RSUs in whole or in part, and such other terms and conditions as the Committee in its discretion deems appropriate.

Unless otherwise determined by the Committee, restricted shares and RSUs are forfeited upon termination of employment for any reason prior to vesting.

Restricted Shares. Following a restricted share award and prior to the lapse or termination of the applicable restrictions, the restricted shares will be held in escrow. Upon the lapse or termination of the restrictions (and not before), the share certificates, or record in book-entry form, will be delivered to the awardee. From the date a restricted share award is effective, however, the awardee will be a shareholder with respect to the restricted shares and will have all the rights of a shareholder with respect to such shares, including the right to vote the shares and to receive all dividends and other distributions paid with respect to the shares, subject only to the restrictions and limitations imposed by the Committee.

Restricted Share Units. The award agreement for RSUs will specify the time and form of payment of vested units. The Company's obligation with respect to RSUs may be paid in shares or cash, or partially in each. RSUs may provide for dividend equivalent rights, as determined by the Committee.

Performance Share Awards and Performance Share Units

General. Performance shares represent a right to receive Company shares based on the achievement or the level of achievement, during a specified performance period of one or more performance goals established by the Committee at the time of the award. Performance share units, or PSUs, represent a right to receive Company shares or cash based on the achievement, or level of achievement, during a specified performance period of one or more performance goals established by the Committee at the time of award.

Performance shares and PSUs will be subject to restrictions on the right to transfer the shares or units while subject to restriction. The award agreement between the Company and the awardee will set forth the number of performance shares or PSUs awarded to the awardee, the performance period, the performance goals, any restrictions imposed thereon and the duration of such restrictions, the events the occurrence of which would cause a forfeiture of the performance shares or PSUs in whole or in part and such other terms and conditions as the Committee in its discretion deems appropriate.

Unless otherwise determined by the Committee, performance shares and PSUs are forfeited upon termination of employment for any reason prior to vesting.

Performance Shares. Upon satisfaction of all of the conditions applicable to a performance share award (and not before), the share certificates, or record in book-entry form, will be delivered to the awardee. Awardees will be a shareholder with respect to the performance shares and will have all the rights of a shareholder only with respect to such shares actually received upon satisfaction of the applicable conditions. The award agreement may provide for the waiver, immediate payment, deferral, or investment of associated dividend rights with respect to any performance shares.

Performance Share Units. The award agreement for PSUs will specify the time and form of payment of vested PSUs. The Company's obligation with respect to PSUs may be paid in Company shares or cash, or partially in each. PSUs may provide for dividend equivalent rights. The award agreement may provide for the immediate payment, deferral, or investment of dividend equivalent rights.

Dividend Equivalent Rights

A dividend equivalent right entitles the awardee to receive credit based on cash distributions that would be paid on specified shares if such shares were held by the awardee. Dividend equivalent rights may be granted as a component of another award or on a freestanding basis. Dividend equivalent rights granted as a component of another award may also contain terms and conditions that differ from the underlying award. The terms and conditions of dividend equivalent rights will be specified in the underlying grant. Dividend equivalent rights may be paid currently, on a deferred basis, or may be deemed to be reinvested in additional shares. Dividend equivalent rights may be settled in cash or shares or a combination thereof.

Additional Rights in Certain Events

The Plan provides for certain additional rights upon the occurrence of a Change of Control. Such an event is deemed to have occurred (1) when a beneficial owner of securities (other than Wm. Polk Carey, the Carey Family, as defined in the Plan, the W. P. Carey Foundation, the Company, a subsidiary or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any subsidiary) is entitled to twenty-five percent (25%) or more of the voting power of the Company or the then outstanding shares of the Company, (2) the Company's shareholders approve (i) any consolidation or merger of the Company or any subsidiary, where the shareholders will not own, after such consolidation or merger, 50% or more of the voting equity of the entity issuing

the cash or securities in the transaction, or its ultimate parent, (ii) any sale, lease, exchange or other transfer of all or substantially of the Company's consolidated assets, unless following the sale the Company's shareholders (as determined immediately prior to the sale) own more than 80% of the outstanding shares and combined voting power of the entity that acquired the assets, or (iii) any plan or proposal for the liquidation or dissolution of the Company, or (3) when the incumbent Directors of the Company, measured as of the effective date of the Plan, together with any Directors they approve by at least a majority vote, cease to constitute at least a majority of the

Board of Directors. For purposes of the foregoing, certain transactions resulting from the acquisition of securities by the Company are excluded.

Unless provided by the Committee at the time of grant of the award, upon a Change of Control (1) all outstanding share options will become immediately and fully exercisable, (2) all restrictions and conditions applicable to restricted shares, RSUs, performance shares, PSUs, and dividend equivalent rights shall automatically be deemed waived and the recipients of such awards shall become entitled to receipt of the maximum amount of shares subject to such award, provided that the payment date of any awards considered to be deferred compensation shall not be accelerated, and (3) participants who hold share options shall have the right, in lieu of exercising the share option, to elect to surrender all or part of the share option to the Company and to receive cash in an amount equal to the excess of the fair market value of a share on the date of surrender, as determined under the Plan, over the per share exercise price of the share option, multiplied by the number of shares with respect to which the share option is surrendered.

Possible Anti-Takeover Effect

The provisions of the Plan providing for the acceleration of the exercise date of share options, the lapse of restrictions applicable to restricted shares, RSUs, performance shares, PSUs, and dividend equivalent rights upon the occurrence of a Change of Control may be considered as having an anti-takeover effect.

Amendment and Discontinuance

The Board may amend or discontinue the Plan at any time, and the Committee may at any time amend or cancel an outstanding award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action may adversely affect rights under any outstanding award without the holder's consent. Further, the Board may not amend the Plan without the approval of the Company's shareholders to the extent such approval is required by the rules of any exchange upon which the Common Stock is listed or if approval of the amendment is required to qualify for the exemption provided by Rule 16b-3 of the SEC under the Securities Exchange Act of 1934.

New Plan Benefits

The actual amount of awards to be received by or allocated to participants or groups under the Plan is not determinable in advance because the selection of participants who receive awards under the Plan, and the size and type of awards to such individuals and groups, are generally determined by the Committee in its discretion. In 2008, 72,375 PSUs (assuming Threshold Amounts are reached), 150,400 RSUs and 50,400 shares of restricted stock were awarded to all employees in the aggregate under the predecessor plan, of which a total of 30,275 PSUs and 60,550 RSUs were awarded to Executive Officers as a group. In 2009, 77,250 PSUs (assuming Threshold Amounts are reached), 126,050 RSUs, and 1,000 shares of restricted stock were awarded to all employees in the aggregate under the predecessor plan, of which a total of 30,275 PSUs and 60,550 RSUs were awarded to Executive Officers as a group. For information regarding awards to NEOs under the predecessor plan during 2008, see the Grants of Plan-Based Awards Table below.

Federal Income Tax Consequences

The following is a brief summary of the principal Federal income tax consequences of the grant and exercise of awards under present law.

Share Options. An optionee will not recognize any taxable income for Federal income tax purposes upon receipt of a share option. Upon the exercise of a share option, the amount by which the fair market value of the shares received, determined as of the date of exercise, exceeds the exercise price will be treated as compensation received by the

optionee in the year of exercise. If the option price of a share option is paid in whole or in part with shares, no income, gain, or loss will be recognized by the optionee on the receipt of shares equal in value on the date of exercise to the shares delivered in payment of the exercise price. The fair market value of the remainder of the shares received upon exercise of the share option, determined as of the date of exercise, less the amount of cash, if any, paid upon exercise will be treated as compensation income received by the optionee on the date of exercise of the share option.

Except as described in *Other Tax Matters* below, the Company or one of its subsidiaries generally will be entitled to a deduction for compensation paid in the same amount treated as compensation received by the optionee.

Restricted Shares. An awardee of restricted shares will not recognize any taxable income for Federal income tax purposes in the year of the award, provided the shares are subject to restrictions (that is, they are nontransferable and subject to a substantial risk of forfeiture). However, an awardee may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the shares on the date of the award, determined without regard to the restrictions. If the awardee does not make a Section 83(b) election, the fair market value of the shares on the date the restrictions lapse will be treated as compensation income to the awardee and will be taxable in the year the restrictions lapse. Except as described in

Other Tax Matters below, the Company or one of its subsidiaries generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Restricted Share Units. An awardee who receives RSUs will not recognize any taxable income for Federal income tax purposes upon receipt of the award. Any cash or shares received pursuant to the award will be treated as compensation income received by the awardee generally in the year in which the awardee receives such cash or shares. Except as described in *Other Tax Matters* below, the Company generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Performance Shares and Performance Share Units. An awardee who receives a performance share or PSU award will not recognize any taxable income for Federal income tax purposes upon receipt of the award. Any cash or shares received pursuant to the award will be treated as compensation income received by the awardee generally in the year in which the awardee receives such cash or shares. Except as described in *Other Tax Matters* below, the Company generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Dividend Equivalent Rights. An awardee who receives dividend equivalent rights will not recognize any taxable income for Federal income tax purposes upon receipt of the award. Any cash or Company shares received pursuant to the award will be treated as compensation income received by the awardee generally in the year in which the awardee receives such cash or shares. Except as described in *Other Tax Matters* below, the Company generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the awardee.

Other Tax Matters. The exercise by an awardee of a share option, the lapse of restrictions on restricted shares or RSUs, performance shares or PSUs, and dividend equivalent rights, or the deemed waiver of restrictions and conditions with respect to awards following the occurrence of a Change of Control, in certain circumstances, may result in (i) a 20% Federal excise tax (in addition to Federal income tax) to the awardee on certain payments of shares or cash resulting from such exercise or deemed waiver of restrictions and conditions, or on all or a portion of the fair market value of the shares or cash associated with such awards on the date the restrictions lapse and (ii) the loss of a compensation deduction that would otherwise be allowable to the Company or one of its subsidiaries as explained above.

Vote Required

Approval of the W. P. Carey & Co. LLC 2009 Share Incentive Plan requires the affirmative vote of a majority of the votes actually cast by shares present in person or represented by proxy at the Annual Meeting, a quorum being present. An abstention from voting on a matter will not be considered a vote cast on the matter, will not be counted in determining the number of affirmative votes required for approval and, accordingly, will not have the effect of a vote for or against the proposal. If a broker or similar nominee limits on a proxy card the number of shares voted on this proposal or indicates that the shares represented by a proxy card are not voted on this proposal, such broker non-votes

will not be considered a vote cast, will not be counted in determining the number of affirmative votes required for approval and, accordingly, will not have the effect of a vote for or against the proposal.

With respect to Proposal Two, the Board of Directors recommends a vote FOR approval of the adoption of the W. P. Carey & Co. LLC 2009 Share Incentive Plan.

PROPOSAL THREE

APPROVAL OF ADOPTION OF 2009 NON-EMPLOYEE DIRECTORS INCENTIVE PLAN

The Company's 2009 Non-Employee Directors Incentive Plan (the Directors Plan) was approved by the Board of Directors in 2008, contingent upon approval by the Company's shareholders. If approved by shareholders at the Annual Meeting, the Directors Plan will replace the predecessor plan, the 1997 Non-Employee Directors Incentive Plan, except with respect to outstanding contractual obligations under the predecessor plan, so that no further awards can be made under that plan.

The principal features of the Directors Plan are summarized below. The summary is qualified in its entirety by the full text of the Directors Plan, which is set forth as Exhibit B to this Proxy Statement.

The Board of Directors recommends that the shareholders vote FOR approval of the adoption of the Directors Plan. Unless otherwise specified thereon, proxies received in the accompanying form will be voted in favor of the approval of the Directors Plan.

General

The purposes of the Directors Plan are to promote the long-term success of the Company by

creating a long-term mutuality of interests between the Non-Employee Directors and shareholders of the Company,

providing an additional inducement for such Directors to remain with the Company, and

providing a means through which the Company may attract able persons to serve as Directors of the Company.

Each person who is a member of the Board of Directors and who is not an employee of the Company or any subsidiary is eligible to receive automatic awards under the Directors Plan. It is currently expected that approximately nine non-employee Directors will be eligible to participate in the Directors Plan.

The aggregate number of shares that may be issued under the Directors Plan is 325,000, subject to proportionate adjustment in the event of share splits and similar events. No awards may be granted under the Directors Plan subsequent to June 10, 2019.

If any award under the Directors Plan is forfeited or canceled by mutual consent or terminates or expires for any reason without having been exercised in full, the number of shares subject to the award will be available for re-issuance under the Directors Plan, provided that the participants have received no benefits of ownership of the underlying shares. Shares previously owned or acquired by an awardee that are delivered to the Company, or shares withheld from an award, to pay the exercise price of an award will not become available for re-issuance under the Directors Plan.

Administration

The Directors Plan will be administered by the Board, which may delegate some or all of its duties to a committee of the Board (the Directors Plan administrator is referred to in this Proposal as the Committee). A majority of the Committee will constitute a quorum. The vote of a majority of a quorum, or the unanimous written consent, will

constitute action by the Committee. The Committee has the power to interpret and administer the Directors' Plan. All questions of interpretation with respect to the Directors' Plan, and application of the Directors' Plan, or as to share options, restricted share awards or RSU awards granted under the Directors' Plan will be determined by the Committee, and its determination will be final and binding.

The Directors' Plan provides for the automatic award of RSUs. In the discretion of the Committee, the awards may also be in the form of share options or restricted shares, or any combination of the permitted types of awards. All of the foregoing grants are sometimes referred to herein as awards.

Awards

The Directors' Plan provides that on each July 1, or if such day is not a business day, the next succeeding business day, each director who is not an employee of the Company or a subsidiary will automatically be granted an award of restricted share units with a total value of \$50,000, determined by dividing \$50,000 by the grant date fair market value per share. Fair market value, for purposes of the Directors' Plan, is the last reported sale price of the Common Stock as reported on the New York Stock Exchange for the date as of which fair market value is to be determined. On the Record Date, the fair market value of a share was \$22.50. In addition, each non-employee director received a grant of RSUs with a total value of \$37,500, based upon the foregoing calculation, and related dividend equivalents, on October 1, 2008, contingent upon shareholder approval of the Directors' Plan.

The number of shares available under any outstanding awards and the exercise prices of awards are adjusted in the event of share dividends and similar events.

Restricted Share Units

RSUs represent a right to receive shares or cash at a specified time. RSUs are immediately vested upon grant, unless otherwise determined by the Committee in its discretion. The Company's obligation with respect to RSUs may be paid in shares or cash, or partially in each. RSUs are paid within 30 days following the non-employee director's separation from service. RSUs may provide for dividend equivalent rights, as determined by the Committee. The award agreement may provide for the immediate payment, deferral, or investment of dividend equivalent rights.

Share Options

Share options that may be granted under the Directors' Plan become exercisable upon grant, unless otherwise determined by the Committee, and expire ten years from the date of grant.

The following provisions of this paragraph will apply in the case of an optionee whose service as a non-employee director is terminated. If the service of the optionee is terminated by reason of the optionee's resignation or removal for cause, any outstanding share options of the optionee will be exercisable (to the extent exercisable immediately prior to the termination of service) at any time prior to the expiration date of the share option or within 90 days after the date of termination of service, whichever is the shorter period. Following the death of an optionee during service with the Company, or within a period following termination of service during which a share option remains exercisable, outstanding share options of the optionee will be exercisable (whether or not exercisable immediately prior to the death of the optionee in the case of an optionee who dies during service with the Company) by the legal representative or legatee of the optionee, at any time prior to the expiration date of the share option or within one year after the date of death of the optionee, whichever is the shorter period. If the service of an optionee terminates for any reason other than for resignation, removal for cause or death, as described above, outstanding share options granted to the optionee will be exercisable (whether or not exercisable immediately prior to the separation from service) at any time prior to the expiration date of the share option or within one year after the date of termination of service, whichever is the shorter period.

The exercise price for each share option will be payable in full in cash at the time of exercise; however, in lieu of cash the holder of a share option may, if authorized by the Committee, pay the option price in whole or in part by delivering to the Company, or by the Company withholding from the award, shares having a fair market value on the date of exercise of the share option equal to the exercise price for the shares being purchased, except that any portion of the exercise price representing a fraction of a share must be paid in cash.

If required to qualify for exemption under SEC Rule 16b-3, no share option granted under the Directors' Plan is transferable other than by will or by the laws of descent and distribution, and all share options may be exercised during an optionee's lifetime only by the optionee.

Restricted Shares

Restricted shares are an award of Common Stock, either at no cost or at a price determined by the Committee, subject to established restrictions and conditions. The restrictions may include restrictions upon the sale,

assignment, transfer, or other disposition of the restricted shares and conditions may be based upon continuing service and such other criteria as the Committee may determine in its discretion. Following a restricted share award and prior to the lapse or termination of the applicable restrictions, the restricted shares will be held in escrow. The non-employee Director will have, with respect to awards of restricted shares, all of the rights of a shareholder of the Company, including the right to vote the restricted shares and the right to receive any dividends and other distributions paid with respect to the shares, subject only to the restrictions and limitations imposed by the Committee.

Additional Rights on Certain Events

The Directors' Plan provides for certain additional rights upon the occurrence of a Change of Control. Such an event is deemed to have occurred (1) when a beneficial owner of securities (other than Wm. Polk Carey, the Carey Family, as defined in the Directors' Plan, the W. P. Carey Foundation, the Company, a subsidiary or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Company or any subsidiary) is entitled to twenty-five percent (25%) or more of the voting power of the Company or the then outstanding shares of the Company, (2) the Company's shareholders approve (i) any consolidation or merger of the Company or any subsidiary, where the shareholders will not own, after such consolidation or merger, 50% or more of the voting equity of the entity issuing the cash or securities in the transaction, or its ultimate parent, (ii) any sale, lease, exchange or other transfer of all or substantially of the Company's consolidated assets, unless following the sale the Company's shareholders (as determined immediately prior to the sale) own more than 80% of the outstanding shares and combined voting power of the entity that acquired the assets, or (iii) any plan or proposal for the liquidation or dissolution of the Company, or (3) when the incumbent Directors of the Company, measured as of the effective date of the Directors' Plan, together with any Directors they approve by at least a majority vote, cease to constitute at least a majority of the Board of Directors. For purposes of the foregoing, certain transactions resulting from the acquisition of securities by the Company are excluded.

Upon a Change of Control (1) all outstanding share options will become immediately and fully exercisable, (2) all restrictions applicable to restricted shares and RSUs shall lapse immediately, provided that the payment date of any awards considered to be deferred compensation shall not be accelerated.

Possible Anti-Takeover Effect

The provisions of the Directors' Plan providing for the acceleration of the exercise date of share options and the lapse of restrictions applicable to restricted shares and RSUs upon the occurrence of a Change of Control may be considered as having an anti-takeover effect.

Amendment and Termination

The Board of Directors may at any time amend or terminate the Directors' Plan. However, no such termination may terminate any outstanding share option, restricted share or RSU. Further, the Board may not amend the Directors' Plan without the approval of the Company's shareholders to the extent such approval is required by the rules of any exchange upon which the Common Stock is listed or if approval of the amendment is required to qualify for the exemption provided by SEC Rule 16b-3.

New Plan Benefits

The actual amount of RSUs or other awards to be received by or allocated to non-employee Directors, the only category of participants under the Directors' Plan, is not determinable in advance because of the nature of the formula utilized, which depends on the share price at the time of the award, as described above. However, under the predecessor plan, the nine non-employee Directors each received 792 restricted shares in 2008 and, under the

Directors Plan, the nine non-employee Directors each received 1,429 RSUs on October 1, 2008, contingent upon shareholder approval.

Federal Income Tax Consequences

The following is a brief summary of the principal Federal income tax consequences of the grant and exercise of awards under present law.

Share Options. A non-employee Director will not recognize any taxable income for Federal income tax purposes upon receipt of a share option. Upon the exercise of a share option, the amount by which the fair market value of the shares received, determined as of the date of exercise, exceeds the exercise price will be treated as compensation received by the non-employee Director in the year of exercise. If the option price of a share option is paid in whole or in part with shares, no income, gain, or loss will be recognized by the non-employee Director on the receipt of shares equal in value on the date of exercise to the shares delivered in payment of the exercise price. The fair market value of the remainder of the shares received upon exercise of the share option, determined as of the date of exercise, less the amount of cash, if any, paid upon exercise, will be treated as compensation income received by the non-employee Director on the date of exercise of the share option. The Company will be entitled to a deduction for compensation paid in the same amount treated as compensation received by the non-employee Director.

Restricted Shares. A non-employee Director who receives an award of restricted shares will not recognize any taxable income for Federal income tax purposes in the year of the award, provided the shares are subject to restrictions (that is, they are nontransferable and subject to a substantial risk of forfeiture). However, a non-employee Director may elect under Section 83(b) of the Internal Revenue Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the shares on the date of the award, determined without regard to the restrictions. If the non-employee Director does not make a Section 83(b) election within thirty (30) days of the grant, the fair market value of the shares on the date the restrictions lapse will be treated as compensation income to the non-employee Director and will be taxable in the year the restrictions lapse. The Company generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the non-employee Director.

Restricted Share Units. A non-employee Director who receives RSUs will not recognize any taxable income for Federal income tax purposes upon receipt of the award. Any cash or shares received pursuant to the award will be treated as compensation income received by the non-employee Director generally in the year in which the non-employee director receives such cash or Company shares. The Company generally will be entitled to a deduction for compensation paid in the same amount treated as compensation income to the non-employee Director.

Vote Required

Approval of the W. P. Carey & Co. LLC 2009 Non-Employee Directors Incentive Plan requires the affirmative vote of a majority of the votes actually cast by shares present in person or represented by proxy at the Annual Meeting, a quorum being present. An abstention from voting on a matter will not be considered a vote cast on the matter, will not be counted in determining the number of affirmative votes required for approval and, accordingly, will not have the effect of a vote for or against the proposal. If a broker or similar nominee limits on a proxy card the number of shares voted on this proposal or indicates that the shares represented by a proxy card are not voted on this proposal, such broker non-votes will not be considered a vote cast, will not be counted in determining the number of affirmative votes required for approval and, accordingly, will not have the effect of a vote for or against the proposal.

With respect to Proposal Three, the Board of Directors recommends a vote FOR approval of the adoption of the W .P. Carey & Co. LLC 2009 Non-Employee Directors Incentive Plan.

EQUITY COMPENSATION PLAN INFORMATION

The following table presents information regarding the Company's equity compensation plans as of December 31, 2008:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	2,767,414 ⁽¹⁾	\$ 27.15 ⁽²⁾	710,140 ⁽³⁾
Equity compensation plans not approved by security holders	12,861 ⁽⁴⁾	N/A ⁽²⁾	312,139 ⁽⁵⁾

- (1) Reflects outstanding options, RSUs, and PSUs issued under the 1997 Share Incentive Plan. For PSUs, which may vest in varying amounts depending on the achievement of specified performance criteria, the Threshold Amount, which is based on actual performance as of December 31, 2008, aggregating 72,375 PSUs, was used; the Maximum Amount that can be issued would be 434,250.
- (2) RSUs and PSUs are settled in shares of Common Stock on a one-for-one basis and accordingly do not have a Weighted-Average Exercise Price. The Weighted-Average Exercise Price shown is for outstanding options only.
- (3) Includes 332,510 shares of Common Stock issuable under the 1997 Share Incentive Plan, which may be issued upon the exercise of stock options, as restricted stock, upon vesting of RSUs or PSUs, or as other stock based awards, 127,733 shares issuable under the 1997 Non-Employee Director Incentive Plan, which may be issued upon the exercise of stock options or as restricted stock, and 249,897 shares issuable under the ESPP. Under the terms of the ESPP, eligible employees may purchase shares semi-annually with up to a maximum of 10% of eligible compensation (or \$25,000, if less). The purchase price is 85% of the lower of the market price of the Company's stock on the first and last day of each semi-annual purchase period. The terms of the ESPP do not limit the aggregate number of shares subject to purchase by all participants during any one purchase period. If the 2009 Share Incentive Plan described in Proposal Two or the 2009 Non-Employee Directors' Incentive Plan described in Proposal Three are approved by the shareholders at the Annual Meeting, no further awards will be made under the 1997 Share Incentive Plan or the 1997 Non-Employee Director Incentive Plan, respectively.
- (4) Reflects 1,429 RSUs granted to each of the nine Independent Directors on October 1, 2008 under the 2009 Non-Employee Directors' Incentive Plan, as more fully described in Proposal Three above, contingent upon shareholder approval at the Annual Meeting.
- (5) Reflects the total amount of shares available for awards approved by the Board as part of the 2009 Non-Employee Directors' Incentive Plan, which remains subject to approval by the shareholders at the Annual Meeting as

described in Proposal Three.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary. The Company's overall objective is to maintain a compensation system that fosters the short-term and long-term goals of the Company and its shareholders. Central to achieving these goals is the motivation of the Company's senior leadership group to achieve a high level of financial performance. Therefore, variable compensation is tied strongly to Company performance. Incentive compensation decisions, including 2008 bonuses and 2009 long-term incentive grants, were reflective of Company performance during the 2008 fiscal year.

The Committee considers a number of key financial and market measures in making compensation decisions, including revenue, EBITDA, Net Income, Operating Margin, Earnings per Share, Adjusted Cash Flow from Operations, assets under management, investment volume, fundraising objectives, market cap, stock price appreciation, dividend yield, and total shareholder return. In making compensation decisions in 2008, the Committee considered the Company's performance relative to both prior year performance and the performance of its peers. In 2008, financial and market performance was strong compared to the Company's peer group but decreased slightly from the Company's performance the previous fiscal year.

In light of these performance considerations, the Committee decided not to increase base salaries in 2008 for the Named Executive Officers, or NEOs. The Committee also determined that bonuses in 2008 would be decreased 20% from 2007 levels. To reflect the decrease in the Company's share price year over year, the NEOs received the same number of RSUs and PSUs in 2009 as awarded in 2008. This resulted in the value of 2009 equity awards being approximately 36% less than the value delivered in 2008. The Committee believes that given these actions, NEO pay and Company performance are strongly aligned.

Introduction

The Company's compensation philosophy and its processes for compensating Executive Officers are supervised by the Compensation Committee of the Board of Directors. This Committee currently consists of four Directors, each of whom is independent within the meaning of the New York Stock Exchange Listing Standards. The Compensation Committee's responsibilities include setting the Company's executive compensation principles and objectives, setting the compensation of Executive Officers, and monitoring the Company's general compensation programs.

Its functions include the following:

Annually, evaluate the Chief Executive Officer's performance and approve the Chief Executive Officer's compensation level based on that evaluation.

Annually, review the performance and approve the compensation of Executive Officers in addition to the Chief Executive Officer.

Review and approve any changes to the Company's compensation programs, particularly with respect to incentive compensation plans and equity-based compensation plans.

Administer all equity-based plans and monitor shareholder dilution.

Retain a compensation consulting firm, on the Compensation Committee's sole authority, that reports directly to the Committee.

The Compensation Committee relies on input both from management and from its independent compensation consultant, Watson Wyatt Worldwide, to assist the Committee in making its determinations. The Committee also considers the perspective of the Chairman of the Company, who is the Company's largest shareholder. Although the Compensation Committee receives information and recommendations regarding the design of the compensation program and level of compensation for Executive Officers from these sources, the Compensation Committee retains the sole authority to make final decisions both as to the types of compensation and compensation levels for these executives.

Compensation Philosophy: The Company's compensation program is designed to align executive pay with Company performance and to motivate management to make sound financial decisions that increase the value of the Company. The Committee believes that a blend of incentive programs based on both quantitative and qualitative performance objectives is the most appropriate way to encourage not only the achievement of outstanding financial performance, but maintenance of consistent standards of teamwork, creativity, good judgment, and integrity. The Compensation Committee does not rely exclusively on rigid incentive formulae but rather exercises its best judgment in taking into account the many aspects of performance that make up an individual's contribution to the Company's success.

Thus, in determining 2008 compensation, the Committee examined a broad range of information on financial performance. The Committee also reviewed information on the performance of and contributions made by individual Executive Officers and, in doing so, placed substantial reliance on information received from, and the judgment of, the Chairman and the Chief Executive Officer. While the Compensation Committee does take into account independent survey data and public peer group data as market reference points, it does not target compensation levels at any particular quartile or other reference level.

Outside Compensation Consultant: Since January 2007, the Compensation Committee has retained an independent compensation consulting firm, Watson Wyatt Worldwide, to provide the Committee with ongoing advice and support in relation to the Company's executive compensation programs. In 2008, Watson Wyatt Worldwide analyzed the Company's executive compensation practices and award levels against market practices generally. That review was intended, among other things, to assist the Compensation Committee in determining appropriate compensation levels for NEOs given 2008 performance. Watson Wyatt also presented the Committee with historical performance peer group data that the Committee considered in setting the 2009-2011 Performance Share Unit metrics and goals, as described below.

2008 Performance Summary

The Committee considered a number of factors in determining NEO compensation levels for 2008. Among these factors were the Company's financial and mark