

FORM 10-Q  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ending June 30, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.  
(Exact name of registrant as specified in its charter)

Delaware 13-1024020  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

1271 Avenue of the Americas, New York, New York 10020  
(Address of principal executive offices) (Zip Code)

(212) 399-8000  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has  
filed all reports required to be filed by Section 13  
or 15(d) of the Securities Exchange Act of 1934  
during the preceding 12 months (or for such shorter  
period that the registrant was required to file such  
reports), and (2) has been subject to such filing  
requirements for the past 90 days. Yes  . No .

Indicate the number of shares outstanding of each of  
the issuer's classes of common stock, as of the  
latest practicable date.  
Common Stock outstanding at July 31, 1995: 78,066,140  
shares.

PAGE

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

I N D E X

Page

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheet  
June 30, 1995 and

December 31, 1994	3-4
Consolidated Income Statement Three months ended June 30, 1995 and 1994	5
Consolidated Income Statement Six months ended June 30, 1995 and 1994	6
Consolidated Statement of Cash Flows Six months ended June 30, 1995 and 1994	7
Notes to Consolidated Financial Statements	8
Computation of Earnings Per Share	9 - 10
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11 - 13
PART II. OTHER INFORMATION	
Item 4. Submission of matters to a Vote of Security Holders	14
Item 6. Exhibits and Reports on Form 8-K	15
SIGNATURES	16
INDEX TO EXHIBITS	17

PART I - FINANCIAL INFORMATION

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET

(Dollars in Thousands)  
ASSETS

	JUNE 30, 1995	DECEMBER 31, 1994
Current Assets:		
Cash and cash equivalents (includes certificates of deposit: 1995-\$90,695; 1994-\$151,341)	\$ 304,381	\$ 413,709
Marketable securities, at cost which approximates market	39,318	27,893
Receivables (less allowance for doubtful accounts: 1995-\$24,812; 1994-\$22,656)	2,140,166	2,072,764
Expenditures billable to clients	143,448	104,787
Prepaid expenses and other current assets	76,616	56,154
Total current assets	2,703,929	2,675,307
Other Assets:		
Investment in unconsolidated affiliates	72,256	63,824
Deferred taxes on income	89,708	84,788

Other investments and miscellaneous assets	123,837	120,242
Total other assets	285,801	268,854
Fixed Assets, at cost:		
Land and buildings	80,041	73,370
Furniture and equipment	344,801	320,164
	424,842	393,534
Less accumulated depreciation	229,717	212,755
	195,125	180,779
Unamortized leasehold improvements	70,107	67,348
Total fixed assets	265,232	248,127
Intangible Assets (less accumulated amortization: 1995-\$143,005; 1994-\$130,045)		
	650,651	601,130
Total assets	\$3,905,613	\$3,793,418

See accompanying notes to consolidated financial statements.

3

PAGE

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
(Dollars in Thousands Except Per Share Data)  
LIABILITIES AND STOCKHOLDERS' EQUITY

	JUNE 30, 1995	DECEMBER 31, 1994
Current Liabilities:		
Payable to banks	\$ 144,734	\$ 128,529
Accounts payable	2,116,871	2,090,406
Accrued expenses	242,272	292,436
Accrued income taxes	90,312	83,802
Total current liabilities	2,594,189	2,595,173
Noncurrent Liabilities:		
Long-term debt	161,168	131,276
Convertible subordinated debentures	111,813	110,527
Deferred compensation and reserve for termination liabilities	228,290	215,893
Accrued postretirement benefits	45,751	45,751
Other noncurrent liabilities	37,890	32,886
Minority interests in consolidated subsidiaries	12,905	12,485
Total noncurrent liabilities	597,817	548,818
Stockholders' Equity:		
Preferred Stock, no par value shares authorized: 20,000,000 shares issued:none		
Common Stock, \$.10 par value shares authorized: 150,000,000 shares issued:		
1995 - 89,000,678		
1994 - 87,705,760	8,900	8,771
Additional paid-in capital	418,780	383,678
Retained earnings	676,142	619,627
Adjustment for minimum pension liability	(6,422)	(6,422)
Cumulative translation adjustments	(98,267)	(97,587)
	999,133	908,067

Less:		
Treasury stock, at cost:		
1995 - 10,559,098 shares		
1994 - 10,001,680 shares	249,489	222,698
Unamortized expense of restricted stock grants	36,037	35,942
Total stockholders' equity	713,607	649,427
Total Liabilities and Stockholders' Equity	\$3,905,613	\$3,793,418

See accompanying notes to consolidated financial statements.

4

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED INCOME STATEMENT  
THREE MONTHS ENDED JUNE 30

(Dollars in Thousands Except Per Share Data)

	1995	1994
Revenue	\$ 534,427	\$ 480,796
Other income	22,727	16,709
Gross income	557,154	497,505
Costs and expenses:		
Operating expenses	435,588	396,331
Interest	9,803	8,899
Total costs and expenses	445,391	405,230
Income before provision for income taxes	111,763	92,275
Provision for income taxes:		
United States - federal	16,960	11,503
- state and local	7,058	4,831
Foreign	23,372	22,934
Total provision for income taxes	47,390	39,268
Income of consolidated companies	64,373	53,007
(Loss)/Income applicable to minority interests	(2,083)	430
Equity in net income of unconsolidated affiliates	1,478	662
Net income	\$ 63,768	\$ 54,099
Weighted average number of common shares	78,106,874	74,821,374
Earnings per common and common equivalent share	\$ .82	\$ .72
Cash dividends per common share	\$ .155	\$ .140

See accompanying notes to consolidated financial statements.

5

PAGE

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED INCOME STATEMENT  
SIX MONTHS ENDED JUNE 30

(Dollars in Thousands Except Per Share Data)

	1995	1994
Revenue	\$ 981,863	\$ 885,109
Other income	35,711	33,358
Gross income	1,017,574	918,467
Costs and expenses:		
Operating expenses	861,180	786,019
Interest	17,730	16,065
Total costs and expenses	878,910	802,084
Income before provision for income taxes	138,664	116,383
Provision for income taxes:		
United States - federal	22,901	17,383
- state and local	9,618	7,965
Foreign	26,438	24,287
Total provision for income taxes	58,957	49,635
Income of consolidated companies	79,707	66,748
Loss applicable to minority interests	(2,871)	(547)
Equity in net income of unconsolidated affiliates	2,108	888
Income before effect of accounting change	78,944	67,089
Effect of accounting change:		
Postemployment benefits	-	(21,780)
Net income	\$ 78,944	\$ 45,309
Weighted average number of common shares	77,836,723	74,991,406
Per Share Data:		
Income before effect of accounting change	\$ 1.02	.89
Effect of accounting change	-	(.29)
Net income	\$ 1.02	\$ .60
Cash dividends per common share	\$ .295	\$ .265

See accompanying notes to consolidated financial statements.

6

PAGE

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30

(Dollars in Thousands)

	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income after effect of accounting change	\$ 78,944	\$ 45,309
Adjustments to reconcile net income to cash (used in)/provided by operating activities:		
Effect of accounting change	-	21,780
Depreciation and amortization of fixed assets	26,813	20,263
Amortization of intangible assets	12,960	10,755
Amortization of restricted stock awards	6,788	5,454
Equity in net income of unconsolidated affiliates	(2,108)	(888)

Income applicable to minority interests	2,871	547
Translation losses	1,733	12,776
Other	(5,999)	(11,096)
Changes in assets and liabilities, net of acquisitions:		
Receivables	(11,061)	(191,251)
Expenditures billable to clients	(34,083)	(22,659)
Prepaid expenses and other assets	(17,322)	(2,579)
Accounts payable and accrued expenses	(126,262)	89,845
Accrued income taxes	19,064	7,752
Deferred income taxes	(3,133)	(26,888)
Deferred compensation and reserve for termination allowances	1,369	39,972
Net cash used in operating activities	(49,426)	(908)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions	(31,230)	(14,970)
Capital expenditures	(29,109)	(23,452)
Proceeds from sales of assets	(362)	712
Net (purchases of)/proceeds from marketable securities	(8,080)	2,607
Other investments and miscellaneous assets	(2,221)	5,890
Unconsolidated affiliates	(9,315)	(3,892)
Net cash used in investing activities	(80,317)	(33,105)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/(decrease) in short-term borrowings	8,193	(13,235)
Proceeds from long-term debt	40,000	25,000
Payments of debt	(13,637)	(20,272)
Treasury stock acquired	(28,089)	(20,942)
Issuance of Common Stock	23,035	7,835
Cash Dividends	(22,430)	(19,353)
Net cash provided by/(used in) financing activities	7,072	(40,967)
Effect of exchange rates on cash and cash equivalents	13,343	9,399
Decrease in cash and cash equivalents	(109,328)	(65,581)
Cash and cash equivalents at beginning of year	413,709	292,268
Cash and cash equivalents at end of period	\$304,381	\$226,687

See accompanying notes to consolidated financial statements.

7PAGE

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Financial Statements

- (a) In the opinion of management, the consolidated balance sheet as of June 30, 1995, the consolidated statements of income for the three months and six months ended June 30, 1995 and 1994 and the consolidated statement of cash flows for the six months ended June 30, 1995 and 1994, contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 1995 and for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in The Interpublic Group of Companies, Inc.'s (the "Company") December 31, 1994 annual report to stockholders.

- (b) Statement of Financial Accounting Standards (SFAS) No. 95 "Statement of Cash Flows" requires disclosures of specific cash payments and noncash investing and financing activities. The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Income tax cash payments were approximately

\$40.3 million and \$46.5 million in the first six months of 1995 and 1994, respectively. Interest payments during the first six months of 1995 were approximately \$12.4 million. Interest payments during the comparable period of 1994 were approximately \$10.0 million.

- (c) Effective January 1, 1994, the Company adopted SFAS 112 "Employers' Accounting for Postemployment Benefits" and recorded a one-time pre-tax charge of \$39.6 million or \$21.8 million after-tax. As of June 30, 1995 deferred compensation and reserve for termination allowances includes approximately \$40.0 million of postemployment benefits.

8

PAGE

Exhibit 11

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

	Three Months Ended June 30	
Primary	1995	1994
Net income	\$ 63,768	\$ 54,099
Add:		
Dividends paid net of related income tax applicable to restricted stock	113	91
Net income, as adjusted	\$ 63,881	\$ 54,190
Weighted average number of common shares outstanding	75,745,842	72,667,554
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,361,032	2,153,820
Total	78,106,874	77,821,374
Earnings per common and common equivalent share	\$ .82	\$ .72
	Three Months Ended June 30	
Fully Diluted	1995	1994
Net income	\$ 63,768	\$ 54,099
Add:		
After tax interest savings on assumed conversion of subordinated debentures	1,527	1,527
Dividends paid net of related income tax applicable to restricted stock	114	96
Net income, as adjusted	\$ 65,409	\$ 55,722
Weighted average number of common shares outstanding	75,745,842	72,667,554
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,397,631	2,227,462
Assumed conversion of subordinated debentures	3,002,130	3,002,130
Total	81,145,603	78,897,146
Earnings per common and common equivalent share	\$ .81	\$ .72

PAGE

Exhibit 11

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
COMPUTATION OF EARNINGS PER SHARE

(Dollars in Thousands Except Per Share Data)

Primary	Six Months Ended June 30	
	1995	1994
Net income before effect of accounting change	\$ 78,944	\$ 67,089
Effect of accounting change	-	(21,780)
Add:		
Dividends paid net of related income tax applicable to restricted stock	205	171
Net income, as adjusted	\$ 79,149	\$ 45,480
Weighted average number of common shares outstanding	75,520,732	72,773,492
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,315,991	2,217,914
Total	77,836,723	74,991,406
Per share data:		
Income before effect of accounting change	1.02	.89
Effect of accounting change	-	(.29)
Net Income	\$ 1.02	\$ .60
	Six Months Ended June 30	
Fully Diluted	1995	1994
Net income before effect of accounting change	\$ 78,944	\$ 67,089
Effect of accounting change	-	(21,780)
Add:		
After tax interest savings on assumed conversion of subordinated debentures	3,054	3,020
Dividends paid net of related income tax applicable to restricted stock	221	178
Net income, as adjusted	\$ 82,219	\$ 48,507
Weighted average number of common shares outstanding	75,520,732	72,773,492
Weighted average number of incremental shares in connection with restricted stock and assumed exercise of stock options	2,533,231	2,272,021
Assumed conversion of subordinated debentures	3,002,130	3,002,130
Total	81,056,093	78,047,643
Per share data:		
Income before effect of accounting change	1.01	.90
Effect of accounting change	-	(.28)
Net income	\$ 1.01	\$ .62

PAGE



THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Working capital at June 30, 1995 was \$109.7 million, an increase of \$29.6 million from December 31, 1994. The ratio of current assets to current liabilities remained relatively unchanged from December 31, 1994 at approximately 1.0 to 1.

During 1994, Interpublic Group of Companies, Inc. (the "Company") acquired Western International Media Corporation and Ammirati & Puris Holding, Inc.

In April 1995, the Company acquired all the assets of Newspaper Services of America, Inc. The purchase price was approximately \$7 million.

In April 1995, the Company along with the management of Campbell Mithun Esty (CME) acquired substantially all of the assets of CME. The purchase price for Interpublic's share was \$20.0 million. The Company, together with the management of Campbell Mithun Esty, will operate CME going forward on a 50/50 basis.

Historically, cash flow from operations has been the primary source of working capital and management believes that it will continue to be in the future. The principal use of the Company's working capital is to provide for the operating needs of its advertising agencies, which include payments for space or time purchased from various media on behalf of its clients. The Company's practice is to bill and collect from its clients in sufficient time to pay the amounts due media. Other uses of working capital include the payment of cash dividends, acquisitions, capital expenditures and the reduction of long-term debt. In addition, during the first six months of 1995, the Company acquired 824,241 shares of its own stock for approximately \$28.1 million for the purposes of fulfilling the Company's obligations under its various compensation plans.

PAGE

RESULTS OF OPERATIONS

Three Months Ended June 30, 1995 Compared to Three Months Ended June 30, 1994

Total revenue for the three months ended June 30, 1995 increased \$53.6 million, or 11.2%, to \$534.4 million compared to the same period in 1994. Domestic revenue increased \$16.6 million or 9.9% from 1994 levels. Foreign revenue increased \$37.0 million or 11.8% during the second quarter of 1995 compared to 1994. Other income increased by \$6.0 million during the second quarter of 1995 compared to the same period in 1994.

Operating expenses increased \$39.3 million or 9.9% during the three months

ended June 30, 1995 compared to the same period in 1994. Interest expense increased 10.2% as compared to the same period in 1994.

Pretax income increased \$19.5 million or 21.1% during the three months ended June 30, 1995 compared to the same period in 1994.

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations.

In the fourth quarter of 1994, the Company recorded restructuring charges of \$48.7 million in connection with the elimination of duplicate facilities and excess personnel resulting primarily from the merger of Lintas New York and Ammirati & Puris agencies and certain international offices. Second quarter 1995 salary savings realized from the restructuring amounted to approximately \$5.5 million.

Net losses from exchange and translation of foreign currencies for the three months ended June 30, 1995 were approximately \$1.3 million versus \$3.8 million for the same period in 1994.

The effective tax rate for the three months ended June 30, 1995 was 42.4%, as compared to 42.6% in 1994. The decrease in the effective tax rate is mainly due to the geographic mix of earnings.

The difference between the effective and statutory rates is primarily due to foreign losses with no tax benefit, losses from translation of foreign currencies which provided no tax benefit, state and local taxes, foreign withholding taxes on dividends and nondeductible goodwill expense.

Six Months Ended June 30, 1995 Compared to Six Months Ended June 30, 1994

Total revenue for the six months ended June 30, 1995 increased \$96.8 million, or 10.9%, to \$981.9 million compared to the same period in 1994. Domestic revenue increased \$27.6 million or 8.6% from 1994 levels. Foreign revenue increased \$69.1 million or 12.3% during the first six months of 1995 compared to 1994. Other income increased \$2.4 million in the first six months of 1995 compared to the same period in 1994.

Operating expenses increased \$75.2 million or 9.6% during the six months ended June 30, 1995 compared to the same period in 1994. Interest expense increased 10.4% during the six months ended June 30, 1995 as compared to the same six month period in 1994.

Pretax income increased \$22.3 million or 19.1% during the six months ended June 30, 1995 compared to the same period in 1994.

12

PAGE

The increase in total revenue, operating expenses, and pretax income is primarily due to acquired companies' results of operations.

In the fourth quarter of 1994, the Company recorded restructuring charges of \$48.7 million in connection with the elimination of duplicate facilities and excess personnel resulting primarily from the merger of Lintas New York and Ammirati & Puris agencies and certain international offices. At December 31, 1994 the Company's liability related to these restructuring charges totalled \$27.6 million for severance. The remaining liability at June 30, 1995 is \$6.5 million for severance. Total salary savings for the six months ended June 30, 1995 realized from the restructuring amounted to approximately \$8.9 million. The Company expects to realize additional salary savings from restructuring of approximately \$10.1 million during the remainder of 1995.

Net losses from exchange and translation of foreign currencies for the six months ended June 30, 1995 were approximately \$2.1 million versus \$9.4 million for the same period in 1994.

The effective tax rate for the six months ended June 30, 1995 was 42.5%, as compared to 42.6% in 1994. The decrease in the effective tax rate is mainly due to the geographic mix of earnings.

PART II - OTHER INFORMATION

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

- (a) This item is answered in respect of the Annual Meeting of Stockholders held May 16, 1995.
- (b) No response is required to Paragraph (b) because (i) proxies for the meeting were solicited pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; (ii) there was no solicitation in opposition to Management's nominees as listed in the proxy statement; and (iii) all such nominees were elected.
- (c) At the Annual Meeting, the following number of shares were cast with respect to each matter voted upon:

-- Proposal to approve Management's nominees for director as follows:

NOMINEE	FOR	WITHHELD	BROKER NONVOTES
Eugene P. Beard	66,418,102	153,008	0
Frank J. Borelli	66,347,557	223,553	0
Lynne V. Cheney	66,410,244	160,866	0
Philip H. Geier, Jr.	66,419,400	151,710	0
Frank B. Lowe	61,958,728	4,612,382	0
Leif H. Olsen	66,364,760	206,350	0
J. Phillip Samper	66,417,463	153,647	0
Joseph J. Sisco	66,329,022	242,088	0

-- Proposal to approve an increase in the Company's authorized Common Stock, par value \$.10 per share,

to 150 million shares.

For	Against	Abstain	Broker Nonvotes
63,195,364	3,130,892	244,854	0

-- Proposal to approve the Company's Employee Stock Purchase Plan (1995).

For	Against	Abstain	Broker Nonvotes
58,644,723	2,410,663	363,800	5,151,924

14

-- Proposal to approve Amendments to the Company's Management Incentive Compensation Plan.

For	Against	Abstain	Broker Nonvotes
55,613,030	10,386,683	571,397	0

-- Proposal to approve confirmation of independent accountants.

For	Against	Abstain	Broker Nonvotes
66,389,129	71,978	110,003	0

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- Exhibit 3(i) Restated Certificate of Incorporation of the Company, as Amended.
- Exhibit 10(a) Note Purchase Agreement, dated April, 28, 1995 by and between the Company and The Prudential Insurance Company of America.
- Exhibit 10(b) Note, dated April 28, 1995, of the Company.
- Exhibit 10(c) Notice, dated June 13, 1995, by The Lowe Group of Cancellation of a Multicurrency Revolving Credit Facility Agreement, as amended, dated December 17, 1991, among Lowe International Limited, Lowe Worldwide Holdings, B.V., Lowe & Partners Inc. and Lloyds Bank plc et. al.
- Exhibit 10(d) Amendment Number 4, dated as of April 1, 1995 to the Credit Agreement, dated as of September 30, 1992 and effective as of December 30, 1992 by and between the Company and The Bank of New York.
- Exhibit 10(e) Employee Stock Purchase Plan (1995) of the Company.
- Exhibit 10(f) Management Incentive Compensation Plan of the Company.

Exhibit 11            Computation of Earnings Per Share.

Exhibit 27            Financial Data Schedule.

(b)    Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 1995.

15

PAGE

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES, INC.  
(Registrant)

Date: August 14, 1995    By /S/    Philip H. Geier, Jr.  
Philip H. Geier, Jr.  
Chairman of the Board,  
President and Chief  
Executive Officer

Date: August 14, 1995    By /S/    Joseph M. Studley  
Joseph M. Studley  
Chief Accounting Officer,  
Vice President  
and Controller

PAGE

## THE INTERPUBLIC GROUP OF COMPANIES, INC. AND ITS SUBSIDIARIES

## INDEX TO EXHIBITS

Exhibit No.	Description
Exhibit 3(i)	Restated Certificate of Incorporation of the Company, as Amended.
Exhibit 10(a)	Note Purchase Agreement, dated April, 28, 1995 by and between the Company and The Prudential Insurance Company of America.
Exhibit 10(b)	Note, dated April 28, 1995, of the Company.
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Exhibit 10(d)	Amendment Number 4, dated as of April 1, 1995 to the Credit Agreement, dated as of September 30, 1992 and effective as of December 30, 1992 by and between the Company and The Bank of New York.
Exhibit 10(e)	Employee Stock Purchase Plan (1995) of the Company.
Exhibit 10(f)	Management Incentive Compensation Plan of the Company.
Exhibit 11	Computation of Earnings Per Share.
Exhibit 27	Financial Data Schedule.

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND THE INCOME STATEMENT AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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RESTATED CERTIFICATE OF INCORPORATION  
OF  
THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Under Section 245 of the Delaware General Corporation Law

We, PAUL FOLEY, President, and J. DONALD McNAMARA, Secretary of THE INTERPUBLIC GROUP OF COMPANIES, INC., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930.

THIRD: The amendments and the restatement of the Certificate of Incorporation have been duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and by an affirmative vote of the holders of a majority of all outstanding shares of each class entitled to vote separately as a class, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The text of the Certificate of Incorporation of said The Interpublic Group of Companies, Inc., as amended, is hereby restated as further amended by this Certificate, to read in full, as follows:

ARTICLE 1. The name of this Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC.

ARTICLE 2. The registered office of the Corporation is located at 306 South State Street in the City of Dover, in the County of Kent, in the State of Delaware. The name of its registered agent at said address is the UNITED STATES CORPORATION COMPANY.

ARTICLE 3. The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it, are:

PAGE

(a) To conduct a general advertising agency, public relations, sales promotion, product development, marketing counsel and market research business, to conduct research in and act as consultant and advisor in respect to all matters pertaining to advertising, marketing, merchandising and distribution of services, products and merchandise of every kind and description, and generally to transact all other business not forbidden by law, and to do every act and thing that may be necessary, proper, convenient or useful for the carrying on of such business.

(b) To render managerial, administrative and other services to persons, firms and corporations engaged in the advertising agency, public relations, sales promotion, product development, marketing counsel or market research business.



(c) To manufacture, buy, sell, create, produce, trade, distribute and otherwise deal in and with motion pictures, television films, slide films, video tapes, motion picture scenarios, stage plays, operas, dramas, ballets, musical comedies, books, animated cartoons, stories and news announcements, of every nature, kind and description.

(d) To undertake and transact all kinds of agency and brokerage business; to act as agent, broker, attorney in fact, consignee, factor, selling agent, purchasing agent, exporting or importing agent or otherwise for any individual or individuals, association, partnership or corporation; to conduct manufacturing operations of all kinds; to engage in the business of distributors, commission merchants, exporters and importers; to transact a general mercantile business.

(e) To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements and processes, copyrights, trademarks and trade names, relating to or useful in connection with any business of the Corporation, its subsidiaries and affiliates, or its or their clients.

PAGE

(f) To purchase, lease, hold, own, use, improve, sell, convey, mortgage, pledge, exchange, transfer and otherwise acquire or dispose of and deal in real property, buildings, structures, works and improvements wherever situated, and any interests therein, of every kind, class and description.

(g) To manufacture, purchase, own, use, operate, improve, maintain, lease, mortgage, pledge, sell or otherwise acquire or dispose of and deal in machinery, equipment, fixtures, materials, tools, supplies and other personal property used in or in connection with any business of the Corporation, either for cash or for credit or for property, stocks or bonds or other consideration as the Board of Directors may determine.

(h) To make loans to any person, partnership, company or corporation, with or without security.

(i) To acquire by purchase, subscription or otherwise, and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose of or deal in and with any of the shares of the capital stock, or any voting trust certificates in respect of the shares of capital stock, script, warrants, rights, bonds, debentures, notes, trust receipts, and other securities, obligations, choses in action and evidences of indebtedness, book accounts or any other security interest or any other kind of interest, secured or unsecured, issued or created by, or belonging to or standing in the name of, any corporation, joint stock company, syndicate, association, firm, trust or person, public or private, or the government of the United States of America, or any foreign government, or any state, territory, province, municipality or other political subdivision or any governmental agency, and as owner thereof to possess and exercise all of the rights, powers and

privileges of ownership, including the right to execute consents and vote thereon, and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof.

(j) To acquire, and pay for in cash, stock or bonds of the Corporation or otherwise, the goodwill, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities, of any person, firm, association or corporation.

PAGE

(k) To cause to be formed, merged, consolidated or reorganized and to promote and aid in any way permitted by law the formation, merger, consolidation or reorganization of any corporation.

(l) To borrow or raise moneys for any of the purposes of the Corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the Corporation (including any security interests acquired by the Corporation to secure obligations owing to the Corporation), whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the Corporation for its corporate purposes.

(m) To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and provided further that shares of its own capital stock belonging to it shall not be voted, directly and indirectly.

(n) To aid in any manner, any corporation, association, firm or individual, any of whose securities, evidences of indebtedness, obligations or stock are held by the Corporation directly or indirectly, or in which, or in the welfare of which, the Corporation shall have any interest, and to guarantee securities, evidences of indebtedness and obligations of other persons, firms, associations and corporations.

(o) To do any and all of the acts and things herein set forth, as principal, factor, agent, contractor, or otherwise, either alone or in company with others; and in general to carry on any other similar business which is incidental or conducive or convenient or proper to the attainment of the foregoing purposes or any of them, and which is not forbidden by law; and to exercise any and all powers which now or

PAGE

hereafter may be lawful for the Corporation to exercise under the laws of the State of Delaware; to establish and maintain offices and agencies within and anywhere

outside of the State of Delaware; and to exercise all or any of its corporate powers and rights in the State of Delaware and in any and all other States, territories, districts, colonies, possessions or dependencies of the United States of America and in any foreign countries.

The objects and purposes specified in the foregoing clauses shall be construed as both purposes and powers and shall, except where otherwise expressed, be in nowise limited or restricted by reference to, or inference from, the terms of any other clause in this Certificate of Incorporation, but shall be regarded as independent objects and purposes.

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Four Million (4,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share. Without action by the stockholders, such shares may be issued by the Corporation from time to time for such consideration as may be fixed by the Board of Directors, provided that such consideration shall be not less than par value. Any and all shares so issued, the full consideration for which has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payment thereon. No holder of shares shall be entitled as a matter of right, preemptive or otherwise, to subscribe for, purchase or receive any shares of the stock of the Corporation of any class, now or hereafter authorized, or any options or warrants for such stock or securities convertible into or exchangeable for such stock, or any shares held in the treasury of the Corporation.

ARTICLE 5. The Corporation is to have perpetual existence.

ARTICLE 6. The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

ARTICLE 7. The number of directors which shall constitute the whole board shall be fixed from time to time by the stockholders or the Board of Directors, but in no case shall the number be less than three.

PAGE

ARTICLE 8. In addition to the powers and authority expressly conferred upon them by statute and by this certificate, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this Certificate of Incorporation, and to the By-Laws of the Corporation.

ARTICLE 9. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) To make, alter, amend and rescind the By-Laws of this Corporation, without any action on the part of the stockholders except as may be otherwise provided in the By-Laws.

(b) To fix and vary from time to time the amount

to be maintained as surplus, the amount to be reserved as working capital and the amount to be reserved for other lawful purposes.

(c) To fix the times for the declaration and payment of dividends and the amount thereof, subject to the provisions of Article 4 hereof.

(d) To borrow or raise moneys for any of the purposes of the Corporation, to authorize and cause to be executed mortgages and liens without limit as to amount on the real and personal property of this Corporation or any part thereof, and to authorize the guaranty by the Corporation of securities, evidences of indebtedness and obligations of other persons, firms, associations and corporations.

(e) To sell, lease, exchange assign, transfer, convey or otherwise dispose of part of the property, assets and effects of this Corporation, less than substantially the whole thereof, on such terms and conditions as it shall deem advisable, without the assent of the stockholders.

(f) Pursuant to the affirmative vote of the holders of a majority of the capital stock issued and outstanding and entitled to vote thereon, to sell, lease, exchange, assign, transfer and convey or otherwise dispose of the whole or substantially the whole of the property, assets, effects and goodwill, of

PAGE

this Corporation, including the corporate franchise, upon such terms and conditions as the Board of Directors shall deem expedient and for the best interests of this Corporation.

(g) To determine from time to time whether and to what extent and at what time and place and under what conditions and regulations the accounts and books of this Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of this Corporation except as conferred by the laws of the State of Delaware or the By-Laws or as authorized by resolution of the stockholders or Board of Directors.

(h) To designate by resolution or resolutions one or more committees, such committees to consist of two or more directors each, which to the extent provided in said resolution or resolutions or in the By-Laws shall have and may exercise (except when the Board of Directors shall be in session) all or any of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and have power to authorize the seal of this Corporation to be affixed to all papers which may require it.

Whether or not herein specifically enumerated, all powers of this Corporation, in so far as the same may be lawfully vested in the Board of Directors, are hereby conferred upon the Board of Directors. This Corporation may in its By-Laws confer powers upon its directors in addition to those granted by this certificate and in addition to the powers and authority expressly conferred upon them by statute.

ARTICLE 10. No contract or transaction between the

Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

PAGE

(a) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the board or committee in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(b) The material facts as to his interests and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(c) The contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of directors, a committee thereof, or the stockholders.

Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE 11. No person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him as a director or officer of the Corporation in good faith, if such person (a) exercised or used the same degree of diligence, care and skill as an ordinarily prudent man would have exercised or used under the circumstances in the conduct of his own affairs, or (b) took, or omitted to take, such action in reliance in good faith upon advice of counsel for the Corporation, or upon the books of account or other records of the Corporation, or upon reports made to the Corporation by any of its officers or by an independent certified public accountant or by an appraiser selected with reasonable care by the Board of Directors or by any committee designated by the Board of Directors.

ARTICLE 12. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

PAGE

IN WITNESS WHEREOF, we have signed this certificate and caused the corporate seal of the Corporation to be hereunto affixed this 6th day of May, 1974.

PAUL FOLEY  
PAUL FOLEY  
President

Attest:

J. DONALD McNAMARA  
J. DONALD McNAMARA  
Secretary

[Corporate Seal]

STATE OF NEW YORK }  
                          }ss.:  
COUNTY OF NEW YORK }

BE IT REMEMBERED that on this 6th day of May, 1974,  
personally came before me MONROE S. SINGER, a Notary Public in  
and for the County and State aforesaid, PAUL FOLEY, party to the  
foregoing certificate, known to me personally to be such, and  
duly acknowledged the said certificate to be his act and deed,  
and that the facts therein stated are true.

GIVEN under my hand and seal of office the day and year  
aforesaid.

MONROE S. SINGER  
MONROE S. SINGER  
Notary Public

MONROE S. SINGER  
Notary Public, State of New York  
No. 31-9023080  
Qualified in New York County  
Commission Expires March 30, 1979

[Notarial Seal]

PAGE

CERTIFICATE OF AMENDMENT  
OF  
RESTATED CERTIFICATE OF INCORPORATION  
OF  
THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Under Section 242 of the Delaware General Corporation Law

We, PAUL FOLEY, President, and J. DONALD McNAMARA, Secretary  
of The Interpublic Group of Companies, Inc., a corporation  
existing under the laws of the State of Delaware, do hereby  
certify under the seal of the said corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP  
OF COMPANIES, INC. The name under which it was formed was  
"McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation  
was filed with the Secretary of State, Dover, Delaware, on the  
18th day of September, 1930. A Restated Certificate of  
Incorporation was filed with the Secretary of State, Dover,  
Delaware, on the 9th day of May, 1974.

THIRD: The amendment of the Restated Certificate of  
Incorporation has been duly adopted in accordance with the  
provisions of Sections 242 of the General Corporation Law of the  
State of Delaware by an affirmative vote of the holders of a  
majority of all outstanding shares entitled to vote at a meeting

of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation is hereby amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Eight Million (8,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 12th day of May, 1976.

PAUL FOLEY  
PAUL FOLEY  
President

Attest:

J. DONALD McNAMARA  
J. DONALD McNAMARA  
Secretary  
[Corporate Seal]  
PAGE

CERTIFICATE OF AMENDMENT  
OF  
RESTATED CERTIFICATE OF INCORPORATION  
OF

THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board, and EDWIN A. KIERNAN, Jr., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by a Certificate of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation, as amended, is further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as

follows:

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Sixteen Million (16,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 17th day of May, 1983.

PAGE

PHILIP H. GEIER, JR.  
PHILIP H. GEIER, JR.  
Chairman of the Board

Attest:

EDWIN A. KIERNAN  
EDWIN A. KIERNAN  
Secretary  
[Corporate Seal]  
PAGE

CERTIFICATE OF AMENDMENT  
OF  
RESTATED CERTIFICATE OF INCORPORATION  
OF  
THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board and President, and EDWIN A. KIERNAN, Jr., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976 and on the 17th day of May, 1983, respectively.

THIRD: The amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: The first sentence of Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new first sentence, reading in full as follows:

ARTICLE 4. The total number of shares of capital stock which the Corporation shall have authority to issue is Fifty



Million (50,000,000) shares, all of which shall be Common Stock of the par value of Ten Cents (\$.10) per share.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 20th day of May, 1986.  
PAGE

PHILIP H. GEIER, JR.  
PHILIP H. GEIER, JR.  
Chairman of the Board and  
President

Attest:

EDWIN A. KIERNAN  
EDWIN A. KIERNAN  
Secretary  
[Corporate Seal]  
PAGE

CERTIFICATE OF AMENDMENT  
OF  
RESTATED CERTIFICATE OF INCORPORATION  
OF  
THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Under Section 242 of the Delaware General Corporation Law

We, EUGENE P. BEARD, Executive Vice President, and EDWIN A. KIERNAN, JR., Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 which was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976, on the 17th day of May, 1983 and on the 20th day of May, 1986, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4 of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4, reading in full as follows:

ARTICLE 4: (a) The total number of shares of all classes of stock which the Company shall have the authority to issue is ninety-five million (95,000,000) shares consisting of seventy-five million (75,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share, and

twenty million (20,000,000) shares of Preferred Stock, without par value.

PAGE

(b) The shares of authorized Common Stock shall be identical in all respects and have equal rights and privileges. Without action by the stockholders, such shares of Common Stock may be issued by the Company from time to time for such consideration as may be fixed by the Board of Directors, provided that such consideration shall not be less than par value. Any and all shares so issued, the full consideration for which has been paid or delivered shall be deemed fully paid stock and shall not be liable to any further call or assessment thereon, and the holders of such shares shall not be liable for any further payment thereon. No holder of shares of Common Stock shall be entitled as a matter of right, preemptive or otherwise, to subscribe for, purchase or receive any shares of the stock of the Company of any class, now or hereafter authorized, or any options or warrants for such stock or securities convertible into or exchangeable for such stock, or any shares held in the treasury of the Company.

(c) The Board of Directors shall have the authority to issue the shares of Preferred Stock from time to time on such terms and conditions as it may determine, and to divide the Preferred Stock into one or more classes or series and in connection with the creation of any such class or series to fix by the resolution or resolutions providing for the issue of shares thereof the designations, powers, preferences and relative, participating, optional, or other special rights of such class or series, and the qualifications, limitations, or restrictions thereof, to the full extent now or hereafter permitted by law. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number then outstanding) by the affirmative vote of the holders of a majority of the Common Stock, without a vote of the holders of the Preferred Stock, unless a vote of any such holders is required pursuant to the certificate or certificates establishing the series of Preferred Stock.

FIFTH: The existing Article 12 of the Restated Certificate of Incorporation is hereby renumbered as Article 13.

SIXTH: The Restated Certificate of Incorporation, as amended, is hereby further amended by inserting a new Article 12, reading in full as follows:

PAGE

Article 12. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of

directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended. Any repeal or modification of this Article 12 by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1988.

EUGENE P. BEARD  
EUGENE P. BEARD  
Executive Vice President

Attest:

EDWIN A. KIERNAN  
EDWIN A. KIERNAN  
Secretary  
PAGE

CERTIFICATE OF AMENDMENT  
OF  
RESTATED CERTIFICATE OF INCORPORATION  
OF  
THE INTERPUBLIC GROUP OF COMPANIES, INC.  
Under Section 242 of the Delaware General Corporation Law

We, PHILIP H. GEIER, JR., Chairman of the Board and President, and CHRISTOPHER RUDGE, Secretary, of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify under the seal of the said Corporation as follows:

FIRST: The name of the Corporation is THE INTERPUBLIC GROUP OF COMPANIES, INC. The name under which it was formed was "McCann-Erickson Incorporated".

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware on the 13th day of May, 1976, the 17th day of May, 1983, the 20th of May, 1986, and the 25th of May, 1988, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

ARTICLE 4(a) The total number of shares of all classes of stock which the Corporation shall have the authority to issue is one hundred twenty million (120,000,000) shares,

consisting of one hundred million (100,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share and twenty million (20,000,000) shares of Preferred Stock, without par value.

PAGE

IN WITNESS WHEREOF, we have signed this Certificate and caused the corporate seal of the Corporation to be hereunto affixed this 19th day of May, 1992.

[Corporate Seal]

PHILIP H. GEIER, JR.  
PHILIP H. GEIER, JR.  
Chairman of the Board and  
President

Attest:

CHRISTOPHER RUDGE  
CHRISTOPHER RUDGE  
Secretary

PAGE

CERTIFICATE OF AMENDMENT  
OF  
RESTATED CERTIFICATE OF INCORPORATION  
OF  
THE INTERPUBLIC GROUP OF COMPANIES, INC.

Under Section 242 of the Delaware General Corporation Law

I, Christopher Rudge, Senior Vice President and Secretary of The Interpublic Group of Companies, Inc., a corporation existing under the laws of the State of Delaware, do hereby certify as follows:

FIRST: The name of the Corporation is The Interpublic Group of Companies, Inc. The name under which it was formed was "McCANN-ERICKSON INCORPORATED."

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State, Dover, Delaware, on the 18th day of September, 1930. A Restated Certificate of Incorporation was filed with the Secretary of State, Dover, Delaware, on the 9th day of May, 1974 and was subsequently amended by Certificates of Amendment of the Restated Certificate of Incorporation filed with the Secretary of State, Dover, Delaware, on the 13th day of May, 1976, the 17th day of May, 1983, the 20th of May, 1986, the 25th of May, 1988 and the 19th of May, 1992, respectively.

THIRD: This amendment of the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by an affirmative vote of the holders of a majority of all outstanding shares entitled to vote at a meeting of shareholders, and the capital of the Corporation will not be reduced under or by reason of said amendment.

FOURTH: Article 4(a) of the Restated Certificate of Incorporation, as amended, is hereby further amended by striking out the whole thereof as it now exists and inserting in lieu and stead thereof a new Article 4(a), reading in full as follows:

Article 4(a): The total number of shares of all classes of stock which the Corporation shall have the authority to issue is one hundred seventy million (170,000,000) shares,

consisting of one hundred fifty million (150,000,000) shares of Common Stock, par value Ten Cents (\$.10) per share, and twenty million (20,000,000) shares of Preferred Stock, without par value.

IN WITNESS WHEREOF, I have signed this Certificate this 2nd day of June, 1995.

CHRISTOPHER RUDGE  
CHRISTOPHER RUDGE  
Senior Vice President and  
Secretary

THE INTERPUBLIC GROUP OF COMPANIES, INC.

NOTE PURCHASE AGREEMENT

7.85% Senior Notes due 2005  
(\$25,000,000)

Dated as of April 28, 1995

PAGE

TABLE OF CONTENTS

(Not Part of Agreement)

	PAGE
1. AUTHORIZATION OF ISSUE OF NOTES	1
2. PURCHASE AND SALE OF NOTES	1
3. CONDITIONS OF CLOSING	2
4. PREPAYMENTS	3
5. AFFIRMATIVE COVENANTS	4
6. NEGATIVE COVENANTS	7
7. EVENTS OF DEFAULT	9

8. REPRESENTATIONS, COVENANTS AND WARRANTIES	12
9. REPRESENTATIONS OF THE PURCHASER	15
10. DEFINITIONS	16
11. MISCELLANEOUS	20

PURCHASER SCHEDULE

EXHIBIT A	-- FORM OF COMPANY NOTE
EXHIBIT B-1	-- FORM OF OPINION OF COMPANY'S SPECIAL COUNSEL
EXHIBIT B-2	-- FORM OF OPINION OF COMPANY'S GENERAL COUNSEL

THE INTERPUBLIC GROUP OF COMPANIES, INC.  
1271 AVENUE OF THE AMERICAS  
ROCKEFELLER CENTER  
NEW YORK, NEW YORK 10020

as of April 28, 1995

The Prudential Insurance Company  
of America  
c/o Prudential Capital Group  
One Gateway Center, 11th Floor  
7-45 Raymond Boulevard West  
Newark, NJ 07102

Ladies and Gentlemen:

The undersigned, The Interpublic Group of Companies, Inc., a Delaware corporation (herein called the "COMPANY"), hereby agrees with you as follows:

1. AUTHORIZATION OF ISSUE OF NOTES. The Company will authorize the issue and delivery of its senior promissory notes (herein, together with any such notes which may be issued pursuant to any provision of this Agreement, and any such notes which may be issued hereunder in substitution or exchange therefor, collectively called the "NOTES" and individually called a "NOTE") in the aggregate principal amount of \$25,000,000, to be dated the date of issue thereof, to mature April 28, 2005, to bear interest on the unpaid balance thereof (payable semi-annually on the twenty-eighth (28th) day of April and October in each year) from the date thereof until the principal thereof shall have become due and payable at the rate of 7.85% per annum and on overdue principal, premium and interest at the rate specified therein, and to be substantially in the form of Exhibit A attached hereto.

2. PURCHASE AND SALE OF NOTES. Subject to the terms and conditions herein set forth, the Company hereby agrees to sell to you and you agree to purchase from the Company the Notes in the aggregate principal amount set forth opposite your name in the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. The Company will deliver to you, at the Company's offices at 1271 Avenue of the Americas, Rockefeller Center, New York, New York 10020, one or more Notes registered in your name, evidencing the aggregate principal amount of Notes to be purchased by you and in the denomination or denominations specified with respect to you in the Purchaser Schedule attached

hereto, against payment of the purchase price thereof by transfer of immediately available funds for credit to the Company's account #143-46-358 at Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York, ABA #021000238, on the date of closing, which shall be April 28, 1995 or any other date upon which the Company and you may mutually agree (herein called the "CLOSING" or the "DATE OF CLOSING").

3. CONDITIONS OF CLOSING. Your obligation to purchase and pay for the Notes to be purchased by you hereunder is subject to the satisfaction, on or before the date of closing, of the following conditions:

3A. OPINION OF PURCHASER'S SPECIAL COUNSEL. You shall have received from Sabrina M. Coughlin, Assistant General Counsel of The Prudential Insurance Company of America ("Prudential"), who is acting as special counsel for you in connection with this transaction, a favorable opinion reasonably satisfactory to you as to such matters incident to the matters herein contemplated as you may reasonably request.

3B. OPINION OF THE COMPANY'S COUNSEL. You shall have received from Cleary, Gottlieb, Steen & Hamilton, special counsel for the Company, and either the Vice President, Associate General Counsel or the Vice President, Assistant General Counsel of the Company, favorable opinions reasonably satisfactory to you and substantially in the forms of Exhibits B-1 and B-2 attached hereto.

3C. REPRESENTATIONS AND WARRANTIES; NO DEFAULT. The representations and warranties contained in paragraph 8 shall be true on and as of the date of closing, except to the extent of changes caused by the transactions herein contemplated; there shall exist on the date of closing no Event of Default or Default; and the Company shall have delivered to you an Officer's Certificate, dated the date of closing, to both such effects.

3D. PURCHASE PERMITTED BY APPLICABLE LAWS. The purchase of and payment for the Notes to be purchased by you on the date of closing on the terms and conditions herein provided (including the use of the proceeds of such Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation G, T or X of the Board of Governors of the Federal Reserve System) and shall not subject you to any tax, penalty or liability under or pursuant to any applicable law or governmental regulation relating to the extension of credit or the making of PAGE

investments, and you shall have received such certificates or other evidence as you may reasonably request to establish compliance with this condition; provided that for purposes of this paragraph 3D, "any applicable law or governmental regulation" shall exclude sections 406 and 407 of ERISA and section 4975 of the Code.

3E. PROCEEDINGS. All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in substance and form to you, and you shall have received all such counterpart originals or certified or other copies of such documents as you may reasonably request.

3F. PAYMENT OF FEES. Prudential shall have received in immediately available funds a \$10,000 structuring fee.

4. PREPAYMENTS. The Notes shall be subject to required prepayments as specified in paragraph 4A and optional prepayments



as specified in paragraph 4B.

4A. REQUIRED PREPAYMENTS. Until the Notes shall be paid in full, the Company shall apply to the prepayment of the Notes, without premium, the sum of \$6,250,000 (or such lesser principal amount as then may be outstanding) on April 28 in each of the years 2002 to 2004, inclusive, and such principal amounts of the Notes, together with interest thereon to the prepayment dates and without premium, shall become due on such prepayment dates. The remaining \$6,250,000 principal amount of the Notes (or such lesser principal amount as then may be outstanding), together with interest accrued thereon and without premium, shall become due on the maturity date of the Notes.

4B. OPTIONAL PREPAYMENT WITH YIELD-MAINTENANCE PREMIUM. The Notes shall be subject to prepayment, in whole at any time or from time to time in part (in multiples of \$500,000), at the option of the Company at 100% of the principal amount so prepaid plus interest thereon to the prepayment date and the Yield Maintenance Premium, if any, with respect to each such Note.

4C. Notice of Optional Prepayment. The Company shall give each holder of such Notes irrevocable written notice of any prepayment pursuant to paragraph 4B not less than 10 Business Days prior to the prepayment date, specifying such prepayment date and the principal amount of the Notes, and of the Notes held by such holder, to be prepaid on such date and stating that such prepayment is to be made pursuant to paragraph 4B. Notice of  
PAGE

prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice, together with interest thereon to the prepayment date and together with the premium, if any, herein provided, shall become due and payable on such prepayment date.

4D. PARTIAL PAYMENTS PRO RATA. Upon any partial prepayment of the Notes pursuant to paragraph 4A or 4B, the principal amount so prepaid of the Notes shall be allocated among the Notes at the time outstanding (including, for the purpose of this paragraph 4D only, all Notes prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates other than by prepayment pursuant to paragraph 4A or 4B) in proportion to the respective outstanding principal amounts thereof.

4E. RETIREMENT OF NOTES. The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4A or 4B or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes held by any holder unless the Company, such Subsidiary or such Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Notes held by each other holder of Notes at the time outstanding upon the same terms and conditions. Any Notes so prepaid or otherwise retired or purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement, except as provided in paragraph 4D.

#### 5. AFFIRMATIVE COVENANTS.

5A. FINANCIAL STATEMENTS. The Company covenants that it will deliver to each holder of a Note:

(i) as soon as practicable and in any event within 50 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, an unaudited consolidated statement of income and retained earnings and statement of cash flows of the Company and its Consolidated Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and an unaudited consolidated balance sheet of the Company and its Consolidated Subsidiaries as at the end of such

PAGE

quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and certified, subject to changes resulting from year-end adjustments, as to fairness of presentation, generally accepted accounting principle (other than as to footnotes) and consistency by the chief financial officer or chief accounting officer of the Company (except to the extent of any change described therein and permitted by generally accepted accounting principles);

(ii) as soon as practicable and in any event within 95 days after the end of each fiscal year, a consolidated statement of income and retained earnings and statement of cash flows of the Company and its Consolidated Subsidiaries for such year, and a consolidated balance sheet of the Company and its Consolidated Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, and all reported on by Price Waterhouse or other independent public accountants of recognized standing selected by the Company whose report shall state that such audit shall have been conducted by them in accordance with generally accepted auditing standards;

(iii) promptly upon distribution thereof to shareholders of the Company, copies of all such financial statements, proxy statements, notices and reports so distributed, and promptly upon filing thereof, copies of all registration statements (other than exhibits or any registration statement on Form S-8, or other equivalent substitute form, under the Securities Act) and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission);

(iv) with reasonable promptness, such other information with respect to the business and consolidated financial position of the Company and its Consolidated Subsidiaries as such holder may reasonably request;

(v) within five (5) days of the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Company obtaining knowledge of any condition or event known by such person to constitute a continuing Default, an Officer's Certificate specifying the nature thereof and, within five

PAGE

(5) days thereafter, an Officer's Certificate specifying what action the Company proposes to take with respect thereto; and

(vi) promptly following the chief executive officer, chief operating officer, principal financial officer or principal accounting officer of the Company obtaining knowledge that any member of the Controlled Group (a) has

given or is required to give notice to the PBGC of any "reportable event" (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC, (b) has received notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice, or (c) has received notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice;

PROVIDED, HOWEVER, that the Company shall be deemed to have satisfied its obligations under clauses (i) and (ii) above if and to the extent that the Company has provided to each holder of a Note pursuant to clause (iii) periodic reports (on Forms 10-Q and 10-K) required to be filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 for the quarterly and annual periods described in such clauses (i) and (ii).

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver an Officer's Certificate with computations in reasonable detail to establish whether the Company was in compliance on the date of such financial statements with the provisions of paragraphs 6A through 6C and stating whether, to the knowledge of the individual signing such Certificate after having exercised reasonable diligence to ascertain the relevant facts, there exists a continuing Default, and, if any Default exists, specifying the nature thereof and what action the Company proposes to take with respect thereto.

#### 5B. BOOKS AND RECORDS; INSPECTION OF PROPERTY.

(i) The Company will maintain or cause to be maintained the books of record and account of the Company and each Consolidated PAGE

Subsidiary, in good order in accordance with sound business practice so as to permit its financial statements to be prepared in accordance with generally accepted accounting principles.

(ii) The Company will permit any Person designated by any holder of Notes in writing, at such holder's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of the Company and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of the Company with its principal officers and its independent public accountants, all at such reasonable times and as often as such holder may reasonably request.

(iii) With the consent of the Company (which consent will not be unreasonably withheld) or, if an Event of Default has occurred and is continuing, without the requirement of any such consent, the Company will permit any Person designated by any holder of Notes in writing, at such holder's expense, to visit and inspect any of the properties of and to examine the corporate books and financial records of any Consolidated Subsidiary and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of such Consolidated Subsidiary with its and the Company's principal officers and the Company's independent public accountants, all at such reasonable times and as often as such holder may reasonably request.

#### 5C. MAINTENANCE OF PROPERTY; INSURANCE. The Company will

maintain or cause to be maintained in good repair, working order and condition all properties used and useful in the business of the Company and each Consolidated Subsidiary and from time to time will make or cause to be made all appropriate repairs, renewals and replacement thereof, except where the failure to do so would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

The Company will maintain or cause to be maintained, for itself and its Consolidated Subsidiaries, all to the extent material to the Company and its Consolidated Subsidiaries taken as a whole, physical damage insurance on all real and personal property on an all risks basis, covering the repair and replacement cost of all such property and consequential loss coverage for business interruption and extra expense, public liability insurance in an amount not less than \$10,000,000 and such other insurance of the kinds customarily insured against by corporations of established reputation engaged in the same or similar business and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances.  
PAGE

5D. CONDUCT OF BUSINESS AND MAINTENANCE OF EXISTENCE. The Company and its Consolidated Subsidiaries will continue to be predominantly engaged in business of the same general type as is now conducted by the Company and its Consolidated Subsidiaries. Except as otherwise permitted by paragraph 6E, the Company will at all times preserve and keep in full force and effect its corporate existence, and rights and franchises material to its business, and (to the extent material to the Company and its Consolidated Subsidiaries taken as a whole) those of each of its Consolidated Subsidiaries, and will qualify, and cause each Consolidated Subsidiary to qualify, to do business in any jurisdiction where the failure to do so would have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.

5E. COMPLIANCE WITH LAWS. The Company will comply, and cause each Consolidated Subsidiary to comply, in all material respects, with the requirements of all applicable laws, ordinances, rules, regulations, and requirements of any governmental authority (including, without limitation, ERISA and the rules and regulations thereunder), except where the necessity of compliance therewith is contested in good faith by appropriate proceedings or where the failure to comply would not have a material adverse effect upon the Company and its Consolidated Subsidiaries taken as a whole.

5F. INFORMATION REQUIRED BY RULE 144A. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5F, the term "QUALIFIED INSTITUTIONAL BUYER" shall have the meaning specified in Rule 144A under the Securities Act.

5G. RANK OF NOTES. The Company agrees that its obligations under this Agreement and the Notes shall rank at least PARI PASSU with all other unsecured senior obligations of the Company now or hereafter existing.  
PAGE

6. NEGATIVE COVENANTS.

6A. CASH FLOW TO TOTAL BORROWED FUNDS. The Company will not permit the ratio of Cash Flow to Total Borrowed Funds to be less than 0.25 for any consecutive four quarters, such ratio to be calculated at the end of each fiscal quarter, on a trailing four quarter basis.

6B. TOTAL BORROWED FUNDS TO CONSOLIDATED NET WORTH. The Company will not permit Total Borrowed Funds to exceed 85% of Consolidated Net Worth at the end of any quarter.

6C. MINIMUM CONSOLIDATED NET WORTH. The Company will not permit Consolidated Net Worth at any time to be less than the sum of (i) \$250,000,000 and (ii) 25% of the consolidated net income of the Company for all fiscal quarters ending on or after December 31, 1990 in which consolidated net income is a positive number.

6D. NEGATIVE PLEDGE. The Company covenants that neither it nor any Consolidated Subsidiary will create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired; PROVIDED, HOWEVER, that the foregoing restriction and limitation shall not apply to the following Liens:

(i) Liens existing on the date hereof;

(ii) any Lien existing on any asset of any corporation at the time such corporation becomes a Consolidated Subsidiary and not created in contemplation of such event;

(iii) any Lien on any asset securing Debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring such asset, PROVIDED that such Lien attached to such asset concurrently with or within 90 days after the acquisition thereof;

(iv) any Lien on any asset of any corporation existing at the time such corporation is merged or consolidated with the Company or a Consolidated Subsidiary and not created in contemplation of such event;

PAGE

(v) any Lien existing on any asset prior to the acquisition thereof by the Company or a Consolidated Subsidiary and not created in contemplation of such acquisition;

(vi) Liens created in connection with Capitalized Lease Obligations, but only to the extent that such Liens encumber property financed by such Capitalized Lease Obligation and the principal component of such Capitalized Lease Obligation is not increased;

(vii) Liens arising in the ordinary course of its business which (i) do not secure Debt and (ii) do not in the aggregate materially impair the operation of the business of the Company and its Consolidated Subsidiaries taken as a whole;

(viii) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of the foregoing clauses of this Section, PROVIDED that such Debt is not increased and is not secured by any additional assets;

(ix) Liens securing taxes, assessments, fees or other

governmental charges or levies, Liens securing the claims of materialmen, mechanics, carriers, landlords, warehousemen and similar Persons, Liens incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance and other similar laws, Liens to secure surety, appeal and performance bonds and other similar obligations not incurred in connection with the borrowing of money, and attachment, judgment and other similar Liens arising in connection with court proceedings so long as the enforcement of such Liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(x) any Lien on property arising in connection with, and which is the subject of, a securities repurchase transaction; and

(xi) Liens not otherwise permitted by the foregoing clauses of this paragraph 6D securing Debt in an aggregate principal amount at any time outstanding not to exceed 10% of Consolidated Net Worth.

PAGE

6E. CONSOLIDATIONS, MERGERS AND SALES OF ASSETS. The Company covenants that it will not, and will not permit any Consolidated Subsidiary to, be a party to any merger or consolidate with any other corporation or sell, lease or transfer or otherwise dispose of all or substantially all of its assets except that

(i) any Consolidated Subsidiary may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, any other Consolidated Subsidiary; and

(ii) any Consolidated Subsidiary may merge or consolidate with, or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, the Company; and

(iii) the Company and any Consolidated Subsidiary may merge or consolidate with or sell, lease, transfer or otherwise dispose of all or substantially all of its assets to, any other Person (a "TRANSACTION"); PROVIDED, HOWEVER, that (a) in the case of a Transaction involving the Company, either (x) the Company shall be the continuing or surviving corporation or (y) the continuing or surviving corporation or the transferee of such assets shall be a corporation organized under the laws of the United States or Canada and such continuing or surviving corporation or transferee shall expressly assume in a writing (in a form reasonably satisfactory to the Required Holder(s)) all of the Company's obligations under this Agreement and the Notes, and (b) immediately after such merger, consolidation or transfer no Default or Event of Default shall exist.

## 7. EVENTS OF DEFAULT.

7A. ACCELERATION. If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

(i) the Company defaults in the payment of any principal of or premium on any Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or

PAGE

(ii) the Company defaults in the payment of any interest on any Note for more than five (5) days after the date due; or

(iii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries defaults in any payment of principal of or interest on any other obligation for money borrowed (or any Capitalized Lease Obligation, any obligation under a purchase money mortgage, conditional sale or other title retention agreement or any obligation under notes payable or drafts accepted representing extensions of credit) beyond any period of grace provided with respect thereto, or the Company or any Significant Subsidiary or Significant Group of Subsidiaries fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation is created (or if any other event thereunder or under any such agreement shall occur and be continuing), and the effect of such payment default, failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due or to require the purchase thereof prior to any stated maturity, provided that the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event causing or permitting acceleration shall occur and be continuing exceeds \$10,000,000; or

(iv) any representation or warranty made by the Company herein or in any certificate furnished pursuant to this Agreement shall be false in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in paragraph 6A, 6B, 6C or 6E; or

(vi) the Company fails to perform or observe any other agreement, term or condition contained herein and such failure shall not be remedied within 30 days after the Company shall have received notice thereof; or

(vii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries makes a general assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

PAGE

(viii) the Company or any Significant Subsidiary or Significant Group of Subsidiaries shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; or

(ix) an involuntary case or other proceeding shall be commenced against the Company or any Significant Subsidiary or Significant Group of Subsidiaries seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar

official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or

(x) an order for relief shall be entered against the Company or any Significant Subsidiary or Significant Group of Subsidiaries under the federal bankruptcy laws as now or hereafter in effect; or

(xi) any order, judgment or decree is entered in any proceedings against the Company in a court of competent jurisdiction of the United States (or a State or other jurisdiction thereof) or Canada (or a Province or other jurisdiction thereof) decreeing the dissolution of the Company and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(xii) the Company or any other member of the Controlled Group shall fail to pay when due any amount or amounts aggregating in excess of \$1,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA (except where such liability is contested in good faith by appropriate proceedings as permitted under paragraph 5E); or notice of intent to terminate a Plan or Plans (other than any multi-employer plan or multiple employer plan, within the meaning of Section 4001(a)(3) or

PAGE

4063, respectively, of ERISA) having unfunded benefit liabilities (within the meaning of Section 4001(a)(18) of ERISA) in excess of \$25,000,000 shall be filed under Title IV of ERISA by any member of the Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan; or

(xiii) final judgment in an amount in excess of \$10,000,000 is rendered against the Company or any Significant Subsidiary or Significant Group of Subsidiaries and, within 90 days after entry thereof, such judgment is not discharged or satisfied or execution thereof stayed pending appeal, or within 90 days after the expiration of any such stay, such judgment is not discharged or satisfied;

then (a) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Notes at the time outstanding shall automatically become immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company and (b) if such event is any other Event of Default, the Required Holder(s) may at its or their option, by notice in writing to the Company, declare all of the Notes to be, and all of the Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and together with the Yield-Maintenance Premium, if any, with respect to each Note without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company; provided that the Yield-Maintenance Premium, if any, with respect to each such Note shall be due and payable upon such declaration only if (x) such event is an Event of Default specified in any of clauses (i) to (vi), inclusive, or clause (xii) or (xiii) of this paragraph 7A, (y) the Required Holders shall have given to the Company at least 10 Business Days before such declaration written notice stating their intention so to declare such Notes to be due and payable and identifying one or more such Events of Default the occurrence



of which on or before the date of such notice permits such declaration and (z) one or more of the Events of Default so identified shall be continuing at the time of such declaration.

PAGE

It is agreed that Repurchase Transactions are not deemed to create obligations which may give rise to an Event of Default under clause (iii) of this paragraph 7A, provided that the aggregate face amount of all Treasury securities involved in all such Repurchase Transactions at no time exceeds 15% of the Company's consolidated total assets (as reported on the audited statement of financial condition of the Company most recently filed with the Securities and Exchange Commission by the Company prior to the inception of such a Repurchase Transaction) after giving effect to such proposed Repurchase Transaction.

7B. OTHER REMEDIES. If any Event of Default or Default shall occur and be continuing, the holder of any Note may proceed to protect and enforce its rights under this Agreement and such Note by exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or in aid of the exercise of any power granted in this Agreement. No remedy conferred in this Agreement upon the holder of any Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

7C. RESCISSION OF ACCELERATION. At any time after any declaration of acceleration of any of the Notes shall have been made pursuant to paragraph 7A by any holder or holders of such Notes, and before a judgment or decree for the payment of money due has been obtained by such holder or holders, the Required Holder(s) may, by written notice to the Company and to the other holders of such Notes, rescind and annul such declaration and its consequences, PROVIDED that (i) the principal of and interest on the Notes which shall have become due otherwise than by such declaration of acceleration shall have been duly paid, and (ii) all Events of Default other than the nonpayment of principal of and interest on the Notes which have become due solely by such declaration of acceleration, shall have been cured or waived by the Required Holder(s). No rescission or annulment referred to above shall affect any subsequent Default or any right, power or remedy arising out of such subsequent Default.

8. REPRESENTATIONS, COVENANTS AND WARRANTIES. The Company represents, covenants and warrants:

PAGE

8A. ORGANIZATION. The Company is a corporation duly organized and existing in good standing under the laws of the State of Delaware, and has the corporate power and all material governmental licenses, authorizations, consents and approvals required to own its property and to carry on its business as now being conducted.

8B. CORPORATE AUTHORIZATION; GOVERNMENTAL AUTHORIZATION; CONTRAVENTION. (i) The Company has the corporate power and authority to execute, deliver and perform this Agreement and has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. The Company has the corporate authority to issue and sell the Notes and has taken all necessary corporate action to authorize the issuance of and sale of the Notes on the terms and conditions of this Agreement.

(ii) None of the offering, issuance, sale and delivery of

the Notes, and fulfillment of or compliance with the terms and provisions hereof or of the Notes, by the Company requires any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities).

(iii) Neither the execution, delivery or performance of this Agreement and the Notes nor the offering, issuance and sale of the Notes, nor fulfillment or any compliance with the terms and provisions hereof and thereof, will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any Consolidated Subsidiary pursuant to, the charter or by-laws of the Company or any Consolidated Subsidiary, any award of any arbitrator or any material agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any Consolidated Subsidiary is subject, excluding sections 406 and 407 of ERISA and section 4975 of the Code.

8C. BINDING EFFECT. Each of the Agreement and the Notes constitutes, or when executed and delivered will constitute, a legal, valid and binding obligation of the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and subject to general principles of PAGE

equity (regardless of whether enforceability is considered in a proceeding in equity or at law).

8D. BUSINESS; FINANCIAL STATEMENTS The Company has furnished you with the following documents and financial statements:

(i) The following financial statements of the Company: the audited consolidated balance sheets of the Company and its Consolidated Subsidiaries as of December 31, 1994, 1993 and 1992 and the related consolidated statements of earnings and retained earnings and statement of cash flows for the three year period ended December 31, 1994, reported on by Price Waterhouse. The financial statements referred to in this subparagraph (i) are herein collectively referred to as the "HISTORICAL FINANCIAL STATEMENTS."

(ii) The Company's Annual Report on Form 10-K for the years ended December 31, 1994, 1993 and 1992, in each case as filed with the Securities and Exchange Commission. The reports referred to in this subparagraph (ii) are herein collectively referred to as the "PUBLIC DOCUMENTS."

The Historical Financial Statements (including any related schedules and/or notes) fairly present the consolidated financial position and the consolidated results of operations and consolidated cash flows of the corporations described therein at the dates and for the periods shown, all in conformity with generally accepted accounting principles applied on a consistent basis (except as otherwise therein or in the notes thereto stated) throughout the periods involved. There has been no material adverse change in the business, condition (financial or otherwise) or operations of the Company and its Consolidated Subsidiaries taken as a whole since December 31, 1994. The Public Documents have been prepared in all material respects in conformity with the rules and regulations of the Securities and

Exchange Commission applicable thereto and set forth an accurate description in all material respects of the business conducted by the Company and its Consolidated Subsidiaries and the properties owned and operated in connection therewith.

8E. ACTIONS PENDING. There is no action, suit or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Consolidated Subsidiaries by or before any court, arbitrator or administrative or governmental body in which there is a significant probability  
PAGE

of an adverse decision which, if adversely decided, would result in any material adverse change in the business, condition (financial or otherwise) or operations of the Company and its Consolidated Subsidiaries taken as a whole or which in any manner draws into question the validity of this Agreement or any Note.

8F. COMPLIANCE WITH ERISA. Each member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code except where the failure to comply would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole, and has not incurred any unsatisfied material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

8G. TAXES. United States Federal income tax returns of the Company and its Consolidated Subsidiaries have been examined and closed through the fiscal year ended December 31, 1985. The Company has and each of its Consolidated Subsidiaries has filed all Federal and other material income tax returns which, to the best knowledge of the officers of the Company, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due except for those which are being contested in good faith by the Company or the Consolidated Subsidiary, as the case may be. The charges and accruals and reserves on the books of the Company and its Consolidated Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Company, adequate.

8H. SUBSIDIARIES; QUALIFICATIONS. Each of the Company's Consolidated Subsidiaries is a corporation duly organized and existing in good standing under the laws of its jurisdiction of incorporation, and the Company and its Consolidated Subsidiaries have such corporate powers and all such governmental licenses, authorizations, consents and approvals required to own their respective properties and to carry on their respective business as now being conducted, all to the extent material to the Company and its Consolidated Subsidiaries taken as a whole.

8I. OFFERING OF NOTES. Neither the Company nor any agent authorized to act on its behalf has, directly or indirectly, offered the Notes, or any similar security of the Company for sale to, or solicited any offers to buy the Notes or any similar security of the Company from, or otherwise approached or  
PAGE

negotiated with respect thereto with, any Person other than not more than 10 institutional investors, and neither the Company nor any agent authorized to act on its behalf has taken or will take any action which would subject the issuance or sale of the Notes to the provisions of section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

8J. REGULATION G, ETC. The proceeds of sale of the Notes will be used to refinance a portion of the Company's short-term borrowings. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any "margin stock" as defined in Regulation G (12 CFR Part 207) of the Board of Governors of the Federal Reserve System (herein called "margin stock") or for the purpose of maintaining, reducing or retiring any indebtedness which was originally incurred to purchase or carry any stock that is then currently a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of such Regulation G. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or the Notes to violate Regulation G, Regulation T or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect now or as the same may hereafter be in effect.

8K. DISCLOSURE. The Historical Financial Statements and the Public Documents (as of the respective dates thereof and when taken as a whole) do not contain any untrue statement of a material fact and do not omit to state a material fact necessary in order to make the statements contained therein not misleading.

8L. TITLE TO PROPERTIES. The Company has and each of its Consolidated Subsidiaries has good and marketable title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, except where the failure to have such title would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole, subject to no Lien of any kind except Liens permitted by paragraph 6D. All leases necessary in any material respect for the conduct of the respective businesses of the Company and its Consolidated Subsidiaries are valid and subsisting and are in full force and effect, except where the failure to be so in effect would not have a material adverse effect on the Company and its Consolidated Subsidiaries taken as a whole.  
PAGE

9. REPRESENTATIONS OF THE PURCHASER. By acceptance of the Notes, you hereby acknowledge that the Notes have not been registered under the Securities Act and may not be sold, offered for sale or otherwise transferred except pursuant to an exemption from such registration requirements. You represent, and in making this sale to you it is specifically understood and agreed, that you are not acquiring the Notes to be purchased by you hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of your property shall at all times be and remain within your control. You further acknowledge that you are a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act. You also represent that all of the funds being used by you to pay the purchase price of the Notes being purchased by you hereunder are assets of an insurance company general account and, if any assets in the general account are, or may be, assets of any "employee benefit plan" within the meaning of Section 3(3) of ERISA, you meet the conditions for application of the general exemption in Section I of the Proposed Class Exemption for Certain Transactions Involving Insurance Company General Accounts (59 Fed. Reg. 43134 (1994)).

10. DEFINITIONS. The following terms shall have the meanings specified with respect thereto below:

10A. YIELD-MAINTENANCE TERMS.

"CALLED PRINCIPAL" shall mean, with respect to any Note, the principal of such Note that is to be prepaid pursuant to paragraph 4B (any partial prepayment being applied in satisfaction of required payments of principal in inverse order of their scheduled due dates) or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.

"DISCOUNTED VALUE" shall mean, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on a semiannual basis) equal to the Reinvestment Yield with respect to such Called Principal.  
PAGE

"REINVESTMENT YIELD" shall mean, with respect to the Called Principal of any Note, the yield to maturity implied by (i) the yields reported, as of 10:00 A.M. (New York City time) on the Business Day next preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page 678" on the Telerate Service (or such other display as may replace Page 678 on the Telerate Service) for actively traded U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable, (ii) the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between reported yields.

"REMAINING AVERAGE LIFE" shall mean, with respect to the Called Principal of any Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"REMAINING SCHEDULED PAYMENTS" shall mean, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

"SETTLEMENT DATE" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to paragraph 4B or is declared to be immediately due and payable pursuant to paragraph 7A, as the context requires.  
PAGE

"YIELD-MAINTENANCE PREMIUM" shall mean, with respect to any Note, a premium equal to the excess, if any, of the Discounted Value of the Called Principal of such Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Premium shall in no event be less than zero.

10B. OTHER TERMS.

"AFFILIATE" shall mean any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company, except a Subsidiary. A Person shall be deemed to control a corporation if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, whether through the ownership of voting securities, by contract or otherwise.

"BUSINESS DAY" shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

"CAPITALIZED LEASE OBLIGATION" shall mean, as to any Person, any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of such Person, taken at the amount thereof accounted for as indebtedness (net of interest expense) in accordance with such principles.

"CASH FLOW" shall mean the sum of net income (plus any amount by which net income has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid), depreciation expenses, amortization costs and changes in deferred taxes.

"CODE" shall mean the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"COMPANY" shall have the meaning specified in the introductory paragraph.

"CONSOLIDATED NET WORTH" shall mean, at any date, the consolidated stockholders' equity of the Company and its Consolidated Subsidiaries as such appear on the financial PAGE

statements of the Company determined in accordance with generally accepted accounting principles ((i) plus any amount by which retained earnings has been reduced by reason of the recognition of post-retirement and post-employment benefit costs prior to the period in which such benefits are paid and (ii) without taking into account the effect of cumulative translation adjustments).

"CONSOLIDATED SUBSIDIARY" shall mean at any date any Subsidiary or other entity the accounts of which would be consolidated with those of the Company in its consolidated financial statements as of such date.

"CONTROLLED GROUP" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company, are treated as a single employer under Section 414(b) or 414(c) of the Code.

"DEBT" shall mean, as to any Person, without duplication, (i) all obligations of such Person for borrowed money, including

reimbursement obligations for letters of credit, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all Capitalized Lease Obligations of such Person, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person and (vi) all Debt of others Guaranteed by such Person; provided, however, that the obligations specified in (i) through (vi) shall not include obligations arising in connection with securities repurchase transactions.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"EVENT OF DEFAULT" shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or both, and "DEFAULT" shall mean any of such events, whether or not any such requirement has been satisfied.

"GUARANTEE" shall mean, as to any Person, any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any PAGE

obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, take-or-pay, to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb shall have a corresponding meaning.

"HISTORICAL FINANCIAL STATEMENTS" shall have the meaning specified in clause (i) of paragraph 8D.

"LIEN" shall mean, with respect to any asset, any mortgage, pledge, security interest, encumbrance, lien or charge of any kind in respect of such asset (including as a result of any conditional sale or other title retention agreement and any lease in the nature thereof).

"NOTE(s)" shall have the meaning specified in paragraph 1.

"OFFICER'S CERTIFICATE" shall mean a certificate signed in the name of the Company by its President, one of its Vice Presidents or its Treasurer.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"PERSON" shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, an unincorporated organization and a government or any department or agency thereof.

"PLAN" shall mean, at a particular time, any defined

benefit pension plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is either (i) maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.  
PAGE

"PUBLIC DOCUMENTS" shall have the meaning specified in clause (ii) of paragraph 8D.

"REPURCHASE TRANSACTION" shall mean one or more transactions in which the Company purchases United States Treasury securities with a remaining term to maturity of 90 days or less and simultaneously enters into a repurchase transaction with respect to such securities with a securities broker/dealer, where (a) all or substantially all of the initial purchase price for the Treasury securities is paid directly from the proceeds of the repurchase transaction and (b) the Treasury securities would not be included in a balance sheet of the Company prepared in accordance with generally accepted accounting principles.

"REQUIRED HOLDER(s)" shall mean the holder or holders of at least 66-2/3% of the aggregate principal amount of the Notes from time to time outstanding.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

"SIGNIFICANT SUBSIDIARY or SIGNIFICANT GROUP OF SUBSIDIARIES" at any time of determination means any Consolidated Subsidiary or group of Consolidated Subsidiaries which, individually or in the aggregate, together with its or their Subsidiaries, accounts or account for more than 10% of the consolidated gross revenues of the Company and its Consolidated Subsidiaries for the most recently ended fiscal year or for more than 10% of the total assets of the Company and its Consolidated Subsidiaries as of the end of such fiscal year; PROVIDED that in connection with any determination under (x) paragraph 7A(iii) there shall be a payment default, failure or other event (of the type specified in that paragraph) with respect to an obligation (of the type specified in that paragraph but without regard to the principal amount of such obligation) of each Consolidated Subsidiary included in such group, (y) paragraph 7A (vii), (viii), (ix) or (x) the condition or event described therein shall exist with respect to each Consolidated Subsidiary included in such group or (z) paragraph 7A(xiii) there shall be a final judgment (of the type specified in that paragraph but without regard to the amount of such judgment) rendered against each Consolidated Subsidiary included in such group.

"SUBSIDIARY" shall mean any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or  
PAGE

other persons performing similar functions is at the time directly or indirectly owned by the Company.

"TOTAL BORROWED FUNDS" shall mean at any date, without duplication, (i) all outstanding obligations of the Company and its Consolidated Subsidiaries for borrowed money, (ii) all outstanding obligations of the Company and its Consolidated Subsidiaries evidenced by bonds, debentures, notes or similar instruments and (iii) any outstanding obligations of the type set



forth in (i) or (ii) of any other Person Guaranteed by the Company or a Consolidated Subsidiary; PROVIDED, HOWEVER, that Total Borrowed Funds shall not include any obligation to repurchase securities under a securities repurchase transaction.

"TRANSFeree" shall mean any direct or indirect transferee of all or any part of any Note purchased by you under this Agreement.

10C. ACCOUNTING TERMS AND DETERMINATIONS. All references in this Agreement to "generally accepted accounting principles" shall mean generally accepted accounting principles in effect in the United States of America at the time of application thereof. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with generally accepted accounting principles, applied on a basis consistent (except for changes concurred in by the Company's independent public accountants) with the most recent audited consolidated financial statements of the Company and its Consolidated Subsidiaries delivered pursuant to paragraph 5A(ii).

#### 11. MISCELLANEOUS.

11A. NOTE PAYMENTS. The Company agrees that, so long as you shall hold any Note, it will make payments of principal thereof and premium, if any, and interest thereon, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit to your account or accounts as specified in the Purchaser Schedule attached hereto, or such other account or accounts in the United States as you may designate in writing not less than 5 Business Days prior to any payment date, notwithstanding any contrary provision herein or in any Note with respect to the place of payment. Any payment under this Agreement or any Note due on a day that is not a Business Day may be made on the next succeeding day which is a Business PAGE

Day without penalty or additional interest. You agree that, before disposing of any Note, you will make a notation thereon (or on a schedule attached thereto) of all principal payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 11A to any Transferee which shall have made the same agreement as you have made in this paragraph 11A.

11B. EXPENSES. The Company agrees to pay, and save you and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with (i) all document production and duplication charges and the fees and expenses of one special counsel (and any local counsel) engaged in connection with any subsequent proposed modification of, or proposed consent under, this Agreement or the Notes, whether or not such proposed modification shall be effected or proposed consent granted (but in either event only if requested by the Company), and (ii) the costs and expenses, including attorneys' fees, incurred by you or any Transferee in enforcing any rights under this Agreement or the Notes. In addition, with respect to you only, the Company agrees to pay, and save you harmless against liability for the payment of, all out-of-pocket expenses incurred by you in connection with your responding to any subpoena or other legal process or informal investigative demand issued in connection with and arising pursuant to this Agreement or the transactions contemplated hereby or by reason of your having acquired any Note (but not including any general investigation or proceeding involving your investments or

activities generally), including without limitation costs and expenses incurred in any bankruptcy case. The obligations of the Company under this paragraph 11B shall survive the transfer of any Note or portion thereof or interest therein and the payment of any Note.

11C. CONSENT TO AMENDMENTS. This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s), except that, without the written consent of the holder or holders of all the Notes at the time outstanding, no amendment to this Agreement shall change the maturity of any Note, or change the principal of, or the rate or time of payment of interest or any premium payable with respect to any Note, or affect the time, amount or allocation of any required prepayments, or reduce the proportion of the principal amount of the Notes required with respect to any consent, amendment or waiver or to accelerate the  
PAGE

Notes. Each holder of any Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 11C, whether or not such Note shall have been marked to indicate such consent, but any such Notes issued thereafter may bear a notation referring to any such consent. The Company will not, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any holder of Notes as consideration for or as an inducement to the entering into by such holder of Notes of any waiver or amendment of, or giving a consent in respect of, any of the terms and provisions of this Agreement or any Note unless such remuneration is concurrently paid, on the same terms, ratably to all holders of Notes. The Company will give prompt written notice of the receipt and effect of each such waiver, amendment or consent to all holders of the Notes. No course of dealing between the Company and the holder of any Note, nor any delay in exercising any rights hereunder or under any Note, shall operate as a waiver of any rights of any holder of any Note. As used herein and in the Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

11D. FORM, REGISTRATION, TRANSFER AND EXCHANGE OF NOTES; LOST NOTES. The Notes are issuable as registered notes without coupons in denominations of at least \$5,000,000, except in connection with the transfer of Notes issued by the Company in smaller denominations in which case and with respect to those Notes only, the minimum denomination will be such smaller amount. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Notes and of transfers of Notes. Upon surrender for registration of transfer of any Note at the principal office of the Company, the Company shall, at its expense, execute and deliver one or more new Notes of like tenor and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Note, such Note may be exchanged for other Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Note to be exchanged at the principal office of the Company. Whenever any Notes are so surrendered for exchange, the Company shall, at its expense, execute and deliver the Notes which the holder making the exchange is entitled to receive. Every Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Note or such holder's attorney duly authorized in writing. Any Note or Notes issued in exchange for any Note or upon transfer thereof shall

PAGE

carry the rights to unpaid interest and interest to accrue which were carried by the Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Note of the loss, theft, destruction or mutilation of such Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement (satisfactory in form and substance to the Company), or in the case of any such mutilation upon surrender and cancellation of such Note, the Company will make and deliver a new Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Note.

11E. PERSONS DEEMED OWNERS. Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Note is registered as the owner and holder of such Note for the purpose of receiving payment of principal of and premium, if any, and interest on such Note and for all other purposes whatsoever, whether or not such Note shall be overdue, and the Company shall not be affected by notice to the contrary.

11F. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT. All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement and the Notes, the transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of you or any Transferee. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

11G. SUCCESSORS AND ASSIGNS. All covenants and other agreements in this Agreement contained by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

11H. DISCLOSURE TO OTHER PERSONS. You agree to use your best efforts (and each other holder of a Note, by availing itself of the benefits of paragraph 5A(iv) or 5B, similarly agrees) to hold in confidence and not disclose any information (other than information (i) which was publicly known or otherwise known to you, at the time of disclosure (except pursuant to disclosure in

PAGE  
connection with this Agreement), (ii) which subsequently becomes publicly known through no act or omission by you, or (iii) which otherwise becomes known to you, other than through disclosure by the Company or any of its Subsidiaries) delivered or made available by or on behalf of the Company or any of its Subsidiaries to you which is proprietary in nature, PROVIDED that nothing herein shall prevent the holder of any Note from delivering copies of any financial statements and other documents delivered to such holder, and disclosing any other information disclosed to such holder, by or on behalf of the Company or any Subsidiary in connection with or pursuant to this Agreement to (i) such holder's directors, officers, employees, agents and professional consultants (which Persons shall be bound by the provisions hereof), (ii) any other holder of any Note, (iii) any Person to which such holder offers to sell such Note or any part thereof (which Person agrees to be bound by the provisions of this paragraph 11H), (iv) any federal or state regulatory

authority having jurisdiction over such holder, (v) the National Association of Insurance Commissioners or any similar organization or (vi) any other Person to which such delivery or disclosure may be necessary or appropriate (a) in compliance with any law, rule, regulation or order applicable to such holder, (b) in response to any subpoena or other legal process or informal investigative demand, (c) in connection with any litigation to which such holder is a party or (d) in order to protect such holder's investment in such Note.

11I. NOTICES. All written communications provided for hereunder shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to you, addressed to you at the address specified for such communications in the Purchaser Schedule attached hereto, or at such other address as you shall have specified to the Company in writing, (ii) if to any other holder of any Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Note which shall have so specified an address to the Company, and (iii) if to the Company addressed to it at 1271 Avenue of the Americas, New York, New York 10020, Attention: Senior Vice President - Financial Operations (together with a copy similarly addressed but marked Attention: General Counsel), or at such other address as the Company shall have specified to the holder of each Note in writing; provided, however, that any such communication to the Company may also, at the option of the holder of any Note, be delivered by any other reasonable means to the Company at its address specified above.  
PAGE

11J. DESCRIPTIVE HEADINGS. The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11K. SATISFACTION REQUIREMENT. If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to you or to the Required Holder(s), the determination of such satisfaction shall be made by you or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

11L. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York applicable to agreements to be performed wholly therein.

11M. COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[SIGNATURES APPEAR ON THE NEXT PAGE.]

PAGE

If you are in agreement with the foregoing, please sign the form of acceptance on the enclosed counterpart of this letter and return the same to the Company, whereupon this letter shall become a binding agreement among you and the Company.

Very truly yours,

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By: ALAN M. FORSTER  
ALAN M. FORSTER  
Vice President and  
Treasurer

The foregoing Agreement is hereby accepted as of the date first above written.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: GAIL McDERMOTT  
GAIL McDERMOTT  
Vice President

PAGE

PURCHASER SCHEDULE

	Aggregate Principal Amount of Notes to be PURCHASED	NOTE DENOMI NATION (s)
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA	\$25,000,000	\$25,000,000

- (1) All payments on account of Notes held by such purchaser shall be made by wire transfer of immediately available funds for credit to:

Account No. 050-54-526  
Morgan Guaranty Trust Company of New York  
23 Wall Street  
New York, New York 10015  
(ABA No.: 021-000-238)

Each such wire transfer shall set forth the name of the Company, the full title (including the coupon rate and final maturity

date) of the Notes, a reference to "!INV5069" and the due date and application (as among principal, premium and interest) of the payment being made.

(2) Address for all notices relating to payments:

The Prudential Insurance Company of America  
c/o Prudential Capital Group  
Three Gateway Center  
100 Mulberry Street  
Newark, New Jersey 07102-4077  
Attention: Manager, Investment Operations Group (Privates)  
Telephone: (201) 802-5260  
Fax: (201) 802-8055

PAGE

(3) Address for all other communications and notices:

The Prudential Insurance Company of America  
c/o Prudential Capital Group  
One Gateway Center, 11th Floor  
7-45 Raymond Boulevard West  
Newark, New Jersey 07102-5311  
Attention: Managing Director

(4) Tax Identification No.: 22-1211670

PAGE

EXHIBIT A

[FORM OF NOTE]

THE INTERPUBLIC GROUP OF COMPANIES, INC.

7.85% SENIOR NOTE DUE APRIL 28, 2005

No. R- \_\_\_\_\_, 199\_  
\$ \_\_\_\_\_

FOR VALUE RECEIVED, the undersigned, The Interpublic Group of Companies, Inc. (herein called the "COMPANY"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS on April 28, 2005 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.85% per annum from the date hereof, payable semi-annually on the twenty-eighth (28th) day of April and October in each year, commencing with the first such date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal and premium and, to the extent permitted by applicable law, each overdue payment of interest, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum equal to 9.85%.

Payments of both principal and interest are to be made at the office of Morgan Guaranty Trust Company of New York, 16 Broad Street, New York, New York, or at such other place as the holder

hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the NOTES") issued pursuant to a Note Purchase Agreement, dated as of April 28, 1995 (herein called the "AGREEMENT"), between the Company and The Prudential Insurance Company of America and is entitled to the benefits thereof.  
PAGE

The Notes are issuable only as registered Notes. This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to required and optional prepayment, as specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE.

THE INTERPUBLIC GROUP OF  
COMPANIES, INC.

By: ALAN M. FORSTER  
ALAN M. FORSTER  
Vice President and Treasurer

THE INTERPUBLIC GROUP OF COMPANIES, INC.

7.85% SENIOR NOTE DUE APRIL 28, 2005

No. R-01  
\$25,000,000

April 28, 1995

FOR VALUE RECEIVED, the undersigned, The Interpublic Group of Companies, Inc. (herein called the "COMPANY"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to The Prudential Insurance Company of America, or registered assigns, the principal sum of TWENTY-FIVE MILLION DOLLARS on April 28, 2005 with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 7.85% per annum from the date hereof, payable semi-annually on the twenty-eighth (28th) day of April and October in each year, commencing with the first such date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal and premium and, to the extent permitted by applicable law, each overdue payment of interest, payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum equal to 9.85%.

Payments of both principal and interest are to be made at the office of Morgan Guaranty Trust Company of New York, 16 Broad Street, New York, New York, or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Note is one of a series of Senior Notes (herein called the "NOTES") issued pursuant to a Note Purchase Agreement, dated as of April 28, 1995 (herein called the "AGREEMENT"), between the Company and The Prudential Insurance Company of America and is entitled to the benefits thereof.

The Notes are issuable only as registered Notes. This Note is a registered Note and, as provided in the Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name  
PAGE

of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Note is subject to required and optional prepayment, as specified in the Agreement.

In case an Event of Default, as defined in the Agreement, shall occur and be continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

THIS NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE.



THE INTERPUBLIC GROUP OF  
COMPANIES, INC.

By: ALAN M. FORSTER  
ALAN M. FORSTER  
Vice President and Treasurer

PAGE

THE LOWE GROUP  
BOWATER HOUSE  
68-114 KNIGHTSBRIDGE  
LONDON SW1X 7LT  
ENGLAND  
TEL: 0171-225-3434  
FAX: 0171-561-5016

13 June 1995

BY HAND

Lloyds Bank Plc  
St. George's House  
PO Box 787  
6/8 Eastcheap  
London EC3M 1LL

FOR THE ATTENTION OF: SIMON ELLIS

Dear Sirs:

RE: MULTI CURRENCY FACILITY DATED 17TH DECEMBER 1991

BETWEEN:

- (i) LOWE INTERNATIONAL LIMITED;
- (ii) LOWE WORLDWIDE HOLDINGS B.V. & LOWE & PARTNERS INC.;
- (iii) LLOYDS BANK PLC AS ARRANGER;
- (iv) LLOYDS BANK PLC AS AGENT;
- (v) DRESDNER BANK: THE FUJI BANK LIMITED, MIDLAND BANK PLC  
AND THE UNION BANK OF SWITZERLAND, (THE "FACILITY  
AGREEMENT").

As amended by various supplemental agreements.

Please take this letter as formal notification of cancellation of the whole of the available facility in accordance with the provisions of Clause 12.5 of the Facility Agreement. Such cancellations is understood to be irrevocable with the provisions of Clause 12.6 of the Facility Agreement and the cancellation should take effect on 30 June 1995.

I will be grateful if you could acknowledge receipt of this letter.

Yours faithfully,

D. COLEMAN  
D. COLEMAN  
SOLICITOR

AMENDMENT NO. 4 TO CREDIT AGREEMENT

AMENDMENT, dated as of April 1, 1995 to the Credit Agreement dated as of September 30, 1992 and effective as of December 30, 1992, as amended on April 30, 1993, October 5, 1993, and August 15, 1994 (the "Agreement") between THE INTERPUBLIC GROUP OF COMPANIES, INC. (the "Borrower") and THE BANK OF NEW YORK (the "Bank").

The parties hereto desire to amend the Agreement subject to the terms and conditions of this Amendment, as hereinafter provided. Accordingly, the parties hereto agree as follows:

1. DEFINITIONS. Unless otherwise specifically defined herein, each term used herein which is defined in the Agreement shall have the meaning assigned to such term in the Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Agreement and in each of the documents relating to the Agreement shall from and after the date hereof refer to the Agreement as amended hereby.
  
2. AMENDMENTS.
  - A. The definition of "Termination Date" set forth in Section 1.1 of the Agreement is hereby amended to read in its entirety as follows:

"Termination Date" means December 1, 1997 or such later date to which the Commitment is extended in accordance with Section 2.13 hereof.
  - B. Section 2.1 of the Agreement is hereby amended by replacing the number "\$10,000,000" with the number "\$15,000,000".
  - C. The definition of "CD Margin" set forth in Section 2.5(B) of the Agreement is hereby amended to read in its entirety as follows:

The "CD Margin" means on any date from and after April 1, 1995 (i) .425%, if at the end of each of the two most recently completed fiscal quarters

the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .525%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 5/8 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.
  - D. The definition of "Euro-Dollar Margin" set forth in Section 2.5(C) of the Agreement is hereby amended to read in its entirety as follows:

PAGE

The "Euro-Dollar Margin" means on any date from and after April 1, 1995 (i) 3/10 of 1%, if at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) 4/10 of 1%, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1; or (iii) 1/2 of 1%, if the conditions set forth in both clauses (i) and (ii) are not satisfied.

- E. Section 2.6 of the Agreement is hereby amended to read in its entirety as follows:

2.6 FEES. The Borrower shall pay to the Bank a commitment fee on the unused portion of the Commitment. The per annum commitment fee shall be on any date from and after April 1, 1995 (i) 1/8 of 1% of the unused portion of the Commitment, if at the end of each of the two most recently

PAGE

completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .40 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .50 to 1; or (ii) .15% of the unused portion of the Commitment, if (a) the conditions of clause (i) have not been satisfied and (b) at the end of each of the two most recently completed fiscal quarters the Borrower's ratio of Total Borrowed Funds to Consolidated Net Worth was equal to or less than .70 to 1 and the Borrower's ratio of Cash Flow to Total Borrowed Funds was equal to or greater than .35 to 1 or (iii) .18% of the unused portion of the Commitment, if the conditions set forth in both clauses (i) and (ii) are not satisfied. Such fees shall accrue from April 1, 1995 to and including the Termination Date and shall be payable quarterly in arrears on the last day of each December, March, June, and September and on any date on which the Commitment is terminated or otherwise reduced.

- F. Section 5.4(B) of the Agreement is hereby amended to read in its entirety as follows:

"Since December 31, 1991 there has been no material adverse change in the business, financial position or results of operations of the Borrower and its Consolidated Subsidiaries, considered as a whole, other than as a result of the recognition of post-retirement and post-employment costs prior to the period in which such benefits are paid and the recording of the restructuring charge in the fourth quarter of 1994."

hereby, the Agreement shall continue in full force and effect in accordance with the terms thereof.

4. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Bank that: (i) it has full power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under the Agreement as amended hereby; (ii) the execution and delivery of this Amendment and the performance of the Agreement as

PAGE

amended hereby have been duly authorized by all necessary corporate action of the Borrower; (iii) the representations and warranties contained in this Agreement are true and correct as of the date hereof; and (iv) as of the date hereof, no Default or Event of Default has occurred and is continuing.

5. GOVERNING LAW. This Amendment, and the Agreement as amended hereby, shall be construed in accordance with and governed by the laws of the State of New York.
6. SEVERABILITY. In case any one or more of the provisions contained in this Amendment should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
7. COUNTERPARTS. This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which when taken together shall constitute one and the same instrument.
8. EFFECTIVENESS. This Amendment shall become effective as of April 1, 1995 upon receipt by the Bank of all of the following documents, in form and substance satisfactorily to the Bank:

- (a) counterparts of this Amendment duly executed by each of the parties hereto;
- (b) a duly executed, amended and restated Note, dated as of April 1, 1995, in the principal amount of U.S. \$15,000,000;
- (c) certified copies, each dated as of April 1, 1995, of (i) all corporate action taken by the Borrower approving this Amendment, the amended and restated Note and the matters contemplated hereby and thereby and (ii) such other corporate documents and papers as the Bank may reasonably request;
- (d) a certificate of a duly authorized officer of the Borrower, dated as of April 1, 1995, as to the incumbency, and setting forth a specimen signature, of each of the persons (i) who has signed this Amendment and the amended and restated

PAGE

Note on behalf of the Borrower; and (ii) who will, until replaced by other persons duly authorized for that purpose, act as the representatives of the Borrower for the purpose of signing documents in connection with the Agreement, as amended hereby and the transactions contemplated hereby and thereby; and

(e) an opinion of counsel to the Borrower, dated the date of receipt by the Bank, to the effect that this Amendment and the amended and restated Note have been duly authorized, executed and delivered by the Borrower and confirming the opinion of such counsel furnished to the Bank pursuant to Section 3.2 of the Agreement with references therein to the Agreement to mean the Agreement as amended by this Amendment and with references thereon to the Note(s) to mean and include the amended and restated Note.

9. Miscellaneous. Upon the effectiveness of this Amendment, on and after the date hereof, each reference in the Agreement to "the Note" or "the Notes" shall mean and include the amended and restated Note delivered by the Borrower to the Bank pursuant to Section 8 hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their duly authorized officers as of the day and year first above written.

THE INTERPUBLIC GROUP OF  
COMPANIES, INC.

ALAN M. FORSTER  
ALAN M. FORSTER  
Vice President & Treasurer

BANK OF NEW YORK

HOWARD F. BASCOM, JR.  
HOWARD F. BASCOM, JR.  
Vice President

THE INTERPUBLIC GROUP OF COMPANIES

EMPLOYEE STOCK PURCHASE PLAN (1995)

The purpose of this Plan is to provide employees a continued opportunity to purchase IPG stock through annual offerings to be made during the ten-year period commencing July 1, 1995. 6,000,000 shares in the aggregate are reserved for this purpose.

1. ADMINISTRATION: The Plan will be administered by a Committee appointed by the Board of Directors, consisting of at least three of its members.

The Committee will have authority to make rules and regulations for the administration of the Plan; its interpretations and decisions with regard thereto shall be final and conclusive.

2. ELIGIBILITY: All employees of the Corporation and any subsidiaries designated by the Committee will be eligible to participate in the Plan, in accordance with such rules as may be prescribed from time to time, which rules, however, shall neither permit nor deny participation in the Plan contrary to the requirements of the Internal Revenue Code (including, but not limited to, Section 423(b)(3), (4) and (8) thereof) and regulations promulgated thereunder. No employee may be granted an option if such employee, immediately after the option is granted, owns 5% or more of the total combined voting power or value of all classes of stock of the Corporation or its subsidiaries. For purposes of the preceding sentence, the rules of Section 424(d) of the Internal Revenue Code shall apply in determining the stock ownership of an individual, and stock which the employee may purchase under outstanding options shall be treated as stock owned by the employee.

3. OFFERINGS: The Corporation will make one or more annual offerings to employees to purchase stock under this Plan. The terms and conditions for each such offering shall specify the amount of stock that may be purchased thereunder. Each offering shall include a Purchase Period of 12 months' duration during which (or during such portion thereof as an employee may elect to participate) the amounts received as compensation by an employee shall constitute the measure of such of the employee's participation in the offering as is based on compensation.

PAGE

4. PARTICIPATION: An employee eligible on the effective date of any offering may participate in such offering at any time by completing and forwarding a Payroll Deduction Authorization form to his appropriate payroll location. The form will authorize a regular payroll deduction from the employee's compensation, and must specify the date on which such deduction is to commence, which may not be retroactive.

5. DEDUCTIONS: The Corporation will maintain payroll deduction accounts for all participating employees. With respect to any offering made under this Plan, an employee may authorize a payroll deduction of up to a maximum of 10% of the compensation he receives during the Purchase Period specified in the offering (or during such portion thereof as he may elect to participate).

No employee may be granted an option which permits his

rights to purchase stock under this Plan, or any other stock purchase plan of the Corporation or its subsidiaries, to accrue (within the meaning of Section 423(b)(8) of the Internal Revenue Code and the regulations thereunder) at a rate which exceeds \$25,000 of fair market value of stock (determined at the date of the offering) for each calendar year in which the option is outstanding at any time.

6. DEDUCTION CHANGES: An employee may at any time increase or decrease his payroll deduction by filing a new Payroll Deduction Authorization form. The change may not become effective sooner than the next pay period after receipt of the form. A payroll deduction may be increased only once and reduced only once during any Purchase Period.

7. WITHDRAWAL OF FUNDS: An employee may at any time and for any reason permanently draw out the balance accumulated in his account, and thereby withdraw from participation in an offering. He may thereafter begin participation again only once during the remainder of the Purchase Period specified in the offering. Partial withdrawals will not be permitted.

8. PURCHASE OF SHARES: Each employee participating in any offering under this Plan will be granted an option, upon the effective date of such offering, for as many full shares of IPG stock as he may elect to purchase with the following amounts:

(a) up to 10% of compensation received during the specified Purchase Period (or during such portion thereof as he may elect to participate), to be paid by payroll deductions during such period;

(b) the balance (if any) carried forward from his payroll deduction account for the preceding Purchase Period pursuant to the final paragraph of this Section 8; and

PAGE

(c) the balance (if any) carried forward from his payroll deduction account for the final Purchase Period (ending June 30, 1995) under The Interpublic Group of Companies Employee Stock Purchase Plan (1985).

Notwithstanding the preceding sentence, in no event may the number of shares purchased by any employee under an offering exceed 3,600 shares.

The purchase price for each share purchased under any offering will be 85% of the average market price on the last business day of the month as of the end of which the purchase is made.

As of the last day of each month during any offering, the account of each participating employee shall be totaled and the purchase price determined. When a participating employee shall have sufficient funds in his account to purchase one or more full shares as of that date, the employee shall be deemed to have exercised his option to purchase such share or shares at such price; his account shall be charged for the amount of the purchase; and the ownership of such share or shares shall be appropriately evidenced on the books of the Company. Subsequent shares covered by the employee's option will be purchased in the same manner, whenever sufficient funds have again accrued in his account. Upon the purchase of shares of IPG stock under an option, the Company shall deliver, or cause to be delivered, promptly to the employee, a statement reflecting the status of his account.



Payroll deductions may be made under each offering to the extent authorized by the employee, subject to the maximum limitation imposed for such offering. A separate employee account will be maintained with respect to each offering.

A participating employee may not purchase a share under any offering beyond 12 months from the effective date thereof. Any balance remaining in an employee's payroll deduction account at the end of a Purchase Period will be carried forward into the employee's payroll deduction account for the following Purchase Period under the Plan or, upon the termination of the Plan, into the employee's payroll deduction account for the first Purchase Period under any successor plan if a successor plan is then in effect. In no event will the balance carried forward be equal to or greater than the purchase price on the last day of the last month of the Purchase Period. Any balance remaining in a payroll deduction account at the termination of the Plan shall be refunded automatically to the employee in accordance with Section 18 unless a successor plan becomes effective immediately following the termination of the Plan.

PAGE

9. ISSUANCE OF CERTIFICATES: The Company shall issue certificates to participating employees upon request.

10. REGISTRATION OF CERTIFICATES: Certificates may be registered only in the name of the employee, or, if he so indicates on his Payroll Deduction Authorization form, in his name jointly with a member of his family, with right of survivorship. An employee who is a resident of a jurisdiction which does not recognize such a joint tenancy may have certificates registered in his name as tenant in common with a member of his family, without right of survivorship.

11. DEFINITIONS: The phrase "average market price" means the average of the high and low prices of IPG stock on the New York Stock Exchange on a given day or, if no sales of IPG stock were made on that day, the average of the high and low prices of IPG stock on the next preceding day on which sales were made on said Exchange.

"Compensation" means only basic compensation, including any employer contribution to a profit-sharing or stock bonus plan (including the Interpublic Savings Plan) or to any other employee benefit plan to the extent that such employer contribution represents an amount that would have been paid to the employee in cash, as basic compensation, but for the employee's election pursuant to a qualified cash or deferred arrangement under Section 401(k) of the Internal Revenue Code (an "elective cash or deferred contribution") or pursuant to a cafeteria plan within the meaning of Section 125 of the Internal Revenue Code (a "salary reduction contribution"), and excluding overtime, bonuses, cost-of-living allowances, deferred compensation awards (apart from any elective cash or deferred contribution), or any other extra payment of any kind (apart from any salary reduction contribution). Solely for purposes of this Plan, "compensation" consisting of an elective cash or deferred contribution or a salary reduction contribution shall be deemed to be received by the employee on the date on which the contribution would have been paid to the employee but for the employee's election.

"Date of Offering" shall be the first working day (as defined below) during the Purchase Period specified for any offering made under this Plan.

The term "subsidiary" means all subsidiaries of the Corporation, whether presently a subsidiary or hereafter becoming

a subsidiary, all within the meaning of Section 424(f) of the Internal Revenue Code and regulations promulgated thereunder.  
PAGE

"Working day" means a day other than a Saturday, Sunday or scheduled IPG holiday.

12. RIGHTS AS A STOCKHOLDER: None of the rights or privileges of a stockholder of the Corporation shall exist with respect to shares purchased under this Plan unless and until such shares shall have been appropriately evidenced on the books of the Corporation.

13. RIGHTS ON RETIREMENT, DEATH OR TERMINATION OF EMPLOYMENT: In the event of a participating employee's retirement, death, or termination of employment, no payroll deduction shall be taken from any pay due and owing to him at such time and the balance in his account shall be paid to him or, in the event of his death, to his estate.

14. RIGHTS NOT TRANSFERABLE: Rights under this Plan are not transferable by a participating employee other than by will or laws of descent and distribution, and are exercisable during his lifetime only by him.

15. APPLICATION OF FUNDS: All funds received or held by the Corporation under this Plan may be used for any corporate purpose.

16. ADJUSTMENT IN CASE OF CHANGES AFFECTING IPG STOCK: In the event of a subdivision of the outstanding shares, or the payment of a stock dividend, the number of shares reserved under this Plan, including shares covered by outstanding grants to participating employees, shall be increased proportionately, and the purchase price for each participant at such time reduced proportionately, and such other adjustment shall be made as may be deemed equitable by the Board of Directors. In the event of any other change affecting IPG stock, such adjustment shall be made as may be deemed equitable by the Board of Directors to give proper effect to such event.

17. AMENDMENT OF THE PLAN: The Board of Directors may at any time, or from time to time, amend this Plan in any respect, except that, without the approval of the stockholders of the Corporation, no amendment shall be made (i) increasing or decreasing the number of shares reserved under this Plan (other than as provided in Section 16) or (ii) decreasing the purchase price per share (other than as provided in Section 16).

18. TERMINATION OF THE PLAN: This Plan and all rights of employees under any offering hereunder shall terminate:

(a) on the day that participating employees become entitled to purchase a number of shares equal to or greater than the number of shares remaining available for purchase.

PAGE

If the number of shares so purchasable is greater than the shares remaining available, the available shares shall be allocated by the Committee among such participating employees in such manner (consistent with the requirements of Section 423(b)(4) and (5) of the Internal Revenue Code and the regulations thereunder) as it deems fair; or

(b) at any time, at the discretion of the Board of Directors.

No offering hereunder shall be made, the Purchase Period under

which shall extend beyond June 30, 2005. Upon termination of this Plan, all amounts in the accounts of participating employees shall be promptly refunded unless those amounts are carried forward, in accordance with the final paragraph of Section 8, into accounts established under a successor plan.

19. GOVERNMENTAL REGULATIONS: The Corporation's obligation to sell and deliver IPG stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance or sale of such stock.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

Management Incentive Compensation Plan

1. PURPOSE.

The purpose of the Management Incentive Compensation Plan is to promote the success of The Interpublic Group of Companies, Inc. (the "CORPORATION"), by providing incentive compensation, in addition to salaries, to officers and key employees in executive, managerial, and other important positions, who can have a substantial impact on the Corporation's success.

The Plan is designed to promote the success of the Corporation by improving the ability of the Corporation and its subsidiaries operating in the United States to attract and retain key employees and by orienting the efforts of key employees toward improvements in corporate profitability.

2. ADMINISTRATION.

The Plan will be administered by a committee (the "COMMITTEE") which shall be the Compensation Committee of the Board of Directors or such other of its committees as the Board of Directors shall designate. The Committee will have full responsibility for administering and interpreting the provisions of the Plan in all areas except those specifically identified hereafter as reserved by the Board of Directors. Action relating specifically to one or more members of the Board of Directors shall require the approval of at least a majority of those members of the Committee who are not eligible to receive awards under the Plan.

3. INCENTIVE FUND DETERMINATION.

Incentive compensation awards may be made in the sole discretion of the Committee except, however, that the fund available for such awards with respect to any one year may not exceed 5% of the amount by which the consolidated income (excluding extraordinary gains and income taxes applicable thereto) before income taxes of the Corporation and its subsidiaries on a worldwide basis, adjusted for all extraordinary losses after income tax effects, and before provision for such incentive compensation, exceeds 15% of the average equity capital of the Corporation in the calendar year immediately preceding the year with respect to which the awards are made (the "PRECEDING YEAR").

PAGE

Average equity capital shall be determined by averaging equity capital as at the first business day of the Preceding Year, the last day of June and the last day of December of the Preceding Year (assuming conversion of all outstanding convertible debentures).

No award will be made unless the award is approved by the Committee in its sole discretion.

4. ELIGIBILITY.

Officers and key employees of the Corporation and its subsidiaries operating in the United States, including directors who are also employees, in executive, managerial and other important positions, may be selected to be eligible to receive

incentive awards under the Plan. Eligibility will be determined by the Committee after receiving and giving consideration to recommendations from the chief executive officer of the Corporation. Eligibility will be determined as soon as possible and preferably prior to the start of each calendar year by the Committee. No person shall be eligible to receive an incentive award with respect to any year unless he was in the employ of the Corporation or one of its affiliates on the first business day of the year with respect to which the award is made.

5. ALLOCATION OF INCENTIVE AMOUNTS.

In allocating the total funds, one or more of the following factors will be considered:

- (a) Achievement of the annual worldwide Business Plan adopted by the Corporation.
- (b) Contribution to Client's Business
  - (1) Improvement in the quality of work produced.
  - (2) Improvement in efficiency.
- (c) Financial Factors
  - (1) Operating margin.
  - (2) Level of or growth in revenue.
  - (3) Level of or growth in operating profit.
- (d) Individual Performance

6. MAXIMUM INDIVIDUAL INCENTIVE AWARDS.

The maximum individual award permitted under the Plan, with respect to any year, is \$1,250,000.

PAGE

7. FORM AND TIMING OF INCENTIVE AWARDS.

The Committee will be responsible for determining the form and timing of incentive awards under the Plan. In its discretion, the Committee may make any award wholly in cash, wholly in shares of Common Stock of the Corporation, or partly in cash and partly in shares of Common Stock of the Corporation. As determined by the Board of Directors from time to time, at or prior to the time of an award, shares of Common Stock to be awarded under the provisions of the Plan may be issued by the Corporation from its authorized but unissued shares of such stock or may be delivered from shares of stock held in the treasury. For purposes of Section 3 of the Plan, any shares so awarded shall be valued by using the average closing price of shares of Common Stock of the Corporation on the New York Stock Exchange on the last ten trading days of the calendar month preceding the month in which such shares are awarded.

Individual management incentive compensation awards will be paid on a current basis except that, in any instance, the Committee may direct that up to 75% of an individual's award be paid on a deferred basis subject to such terms and conditions as the Committee may prescribe. Awards will normally be made as soon as possible after the end of each calendar year.

8. SHARES ISSUABLE UNDER THE PLAN.

The number of shares of Common Stock authorized for distribution under the Plan is 600,000. In the event of a reorganization, recapitalization, stock split, stock dividend,

combination of shares, merger, consolidation, rights offering, or any other change in the corporate structure or shares of the Corporation, the Committee is empowered to make such adjustment, if any, as it may deem appropriate in the number and kind of shares authorized for distribution.

9. TERMINATION AND AMENDMENT.

The Board of Directors shall have the power to suspend or terminate the Plan at any time, or to amend the Plan from time to time as may be appropriate and in the best interests of the Corporation, but shall not without the approval of Stockholders amend the Plan so as to (i) materially increase the benefits accruing to participants, (ii) materially increase the number of securities which may be issued under the Plan or (iii) materially modify the requirements as to eligibility for participation in the Plan.