UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2014

or

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

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 incorporation or organization)	(I.R.S. Employer Identification No.)

1114 Avenue of the Americas, New York, New York 10036
(Address of principal executive offices) (Zip Code)

(212) 704-1200
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of July 15, 2014 was 421,397,262.

INDEX

INFORMATION REGARDING FORWARD-LOOKING DISCLOSURE

This quarterly report on Form 10-Q contains forward-looking statements. Statements in this report that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" or comparable terminology are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined under Item 1A, *Risk Factors*, in our most recent annual report on Form 10-K. Forward-looking statements speak only as of the date they are made and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

- potential effects of a challenging economy, for example, on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates; and
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under Item 1A, *Risk Factors*, in our most recent annual report on Form 10-K.

Part I – FINANCIAL INFORMATION

Item 1. *Financial Statements (Unaudited)*

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
REVENUE	$ 1,851.4	$ 1,756.2	$ 3,488.9	$ 3,299.2
OPERATING EXPENSES:				
Salaries and related expenses	1,170.2	1,120.2	2,358.8	2,252.3
Office and general expenses	485.4	461.2	946.0	914.5
Total operating expenses	1,655.6	1,581.4	3,304.8	3,166.8
OPERATING INCOME	195.8	174.8	184.1	132.4
EXPENSES AND OTHER INCOME:				
Interest expense	(22.6)	(37.5)	(42.8)	(74.3)
Interest income	6.6	5.8	12.8	12.2
Other (expense) income, net	(11.2)	4.8	(9.5)	6.6
Total (expenses) and other income	(27.2)	(26.9)	(39.5)	(55.5)
Income before income taxes	168.6	147.9	144.6	76.9
Provision for income taxes	65.3	62.0	63.6	49.6
Income of consolidated companies	103.3	85.9	81.0	27.3
Equity in net income of unconsolidated affiliates	0.4	0.2	0.3	0.3
NET INCOME	103.7	86.1	81.3	27.6
Net income attributable to noncontrolling interests	(4.3)	(3.3)	(2.8)	(1.1)
NET INCOME ATTRIBUTABLE TO IPG	99.4	82.8	78.5	26.5
Dividends on preferred stock	0.0	(2.9)	0.0	(5.8)
NET INCOME AVAILABLE TO IPG COMMON STOCKHOLDERS	$ 99.4	$ 79.9	$ 78.5	$ 20.7
Earnings per share available to IPG common stockholders:				
Basic	$ 0.24	$ 0.19	$ 0.19	$ 0.05
Diluted	$ 0.23	$ 0.18	$ 0.18	$ 0.05
Weighted-average number of common shares outstanding:				
Basic	421.1	425.1	421.9	419.7
Diluted	428.1	448.3	428.5	425.1
Dividends declared per common share	$ 0.095	$ 0.075	$ 0.190	$ 0.150

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in Millions)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
NET INCOME	$ 103.7	$ 86.1	$ 81.3	$ 27.6
OTHER COMPREHENSIVE INCOME (LOSS)				
Foreign currency translation adjustments	25.5	(74.5)	24.5	(113.3)
Less: reclassification adjustments recognized in net income	0.0	0.0	(0.9)	0.0
	25.5	(74.5)	23.6	(113.3)
Available-for-sale securities:				
Changes in market value of available-for-sale securities	0.1	0.4	0.2	0.8
Less: recognition of previously unrealized gains included in net income	0.0	(0.4)	0.0	(1.4)
Income tax effect	0.0	0.1	0.0	0.2
	0.1	0.1	0.2	(0.4)
Derivative instruments:				
Changes in fair value of derivative instruments	0.0	0.0	(0.6)	0.0
Less: recognition of previously unrealized losses included in net income	0.5	0.5	0.9	0.9
Income tax effect	(0.2)	(0.2)	(0.1)	(0.4)
	0.3	0.3	0.2	0.5
Defined benefit pension and other postretirement plans:				
Net actuarial gains (losses) for the period	0.0	1.1	(0.3)	0.0
Less: amortization of unrecognized losses, transition obligation and prior service cost included in net income	2.4	2.7	5.0	5.5
Other	(0.1)	(0.2)	(0.2)	(0.7)
Income tax effect	(0.7)	(1.3)	(1.3)	(2.0)
	1.6	2.3	3.2	2.8
Other comprehensive income (loss), net of tax	27.5	(71.8)	27.2	(110.4)
TOTAL COMPREHENSIVE INCOME (LOSS)	131.2	14.3	108.5	(82.8)
Less: comprehensive income (loss) attributable to noncontrolling interests	4.0	1.5	1.9	(1.9)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO IPG	$ 127.2	$ 12.8	$ 106.6	$ (80.9)

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Millions)
(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS:		
Cash and cash equivalents	$ 895.1	$ 1,636.8
Marketable securities	6.3	5.3
Accounts receivable, net of allowance of $66.7 and $64.9, respectively	4,272.3	4,565.4
Expenditures billable to clients	1,798.6	1,536.4
Other current assets	429.3	340.1
Total current assets	7,401.6	8,084.0
Furniture, equipment and leasehold improvements, net of accumulated depreciation of $1,112.1 and $1,111.7, respectively	537.1	540.0
Deferred income taxes	171.0	144.0
Goodwill	3,714.8	3,629.0
Other non-current assets	515.2	508.0
TOTAL ASSETS	$ 12,339.7	$ 12,905.0
LIABILITIES:		
Accounts payable	$ 6,414.8	$ 6,914.2
Accrued liabilities	594.8	718.4
Short-term borrowings	126.2	179.1
Current portion of long-term debt	2.4	353.6
Total current liabilities	7,138.2	8,165.3
Long-term debt	1,629.9	1,129.8
Deferred compensation	486.9	514.3
Other non-current liabilities	616.4	595.7
TOTAL LIABILITIES	9,871.4	10,405.1
Redeemable noncontrolling interests (see Note 4)	246.4	249.1
STOCKHOLDERS' EQUITY:		
Common stock	53.3	53.0
Additional paid-in capital	3,017.2	2,975.2
Retained earnings	865.5	864.5
Accumulated other comprehensive loss, net of tax	(383.1)	(411.2)
	3,552.9	3,481.5
Less: Treasury stock	(1,363.6)	(1,266.3)
Total IPG stockholders' equity	2,189.3	2,215.2
Noncontrolling interests	32.6	35.6
TOTAL STOCKHOLDERS' EQUITY	2,221.9	2,250.8
TOTAL LIABILITIES AND EQUITY	$ 12,339.7	$ 12,905.0

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions)
(Unaudited)

	Six months ended June 30,	
	2014	**2013**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 81.3	$ 27.6
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization of fixed assets and intangible assets	80.7	77.4
Provision for uncollectible receivables	5.6	7.4
Amortization of restricted stock and other non-cash compensation	26.2	24.9
Net amortization of bond discounts and deferred financing costs	2.3	4.0
Deferred income tax provision (benefit)	7.3	(14.3)
Other	14.9	(11.5)
Changes in assets and liabilities, net of acquisitions and dispositions, providing (using) cash:		
Accounts receivable	327.6	330.5
Expenditures billable to clients	(239.4)	(255.7)
Other current assets	(76.7)	(56.4)
Accounts payable	(584.5)	(573.4)
Accrued liabilities	(173.5)	(150.3)
Other non-current assets and liabilities	(29.0)	(1.6)
Net cash used in operating activities	(557.2)	(591.4)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(58.7)	(46.8)
Acquisitions, including deferred payments, net of cash acquired	(50.8)	(48.2)
Proceeds from sales of businesses and investments, net of cash sold	10.5	3.1
Net (purchases) sales and maturities of short-term marketable securities	(0.5)	11.6
Other investing activities	0.4	(2.1)
Net cash used in investing activities	(99.1)	(82.4)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of long-term debt	499.1	0.0
Purchase of long-term debt	(350.1)	(1.2)
Repurchase of common stock	(97.3)	(180.6)
Common stock dividends	(80.1)	(62.7)
Net (decrease) increase in short term bank borrowings	(52.8)	19.1
Distributions to noncontrolling interests	(12.1)	(7.0)
Acquisition-related payments	(8.6)	(26.8)
Preferred stock dividends	0.0	(5.8)
Excess tax benefit on share-based compensation	4.3	7.4
Exercise of stock options	10.7	31.5
Other financing activities	(2.4)	0.1
Net cash used in financing activities	(89.3)	(226.0)
Effect of foreign exchange rate changes on cash and cash equivalents	3.9	(61.1)
Net decrease in cash and cash equivalents	(741.7)	(960.9)
Cash and cash equivalents at beginning of period	1,636.8	2,574.8
Cash and cash equivalents at end of period	$ 895.1	$ 1,613.9

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Millions)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Treasury Stock	Total IPG Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Shares	Amount							
Balance at December 31, 2013	532.3	$ 53.0	$ 2,975.2	$ 864.5	$ (411.2)	$(1,266.3)	$ 2,215.2	$ 35.6	$ 2,250.8
Net income				78.5			78.5	2.8	81.3
Other comprehensive income (loss)					28.1		28.1	(0.9)	27.2
Reclassifications related to redeemable noncontrolling interests								6.8	6.8
Distributions to noncontrolling interests								(12.1)	(12.1)
Change in redemption value of redeemable noncontrolling interests				3.0			3.0		3.0
Repurchase of common stock						(97.3)	(97.3)		(97.3)
Common stock dividends				(80.1)			(80.1)		(80.1)
Stock-based compensation	3.2	0.3	41.5				41.8		41.8
Exercise of stock options	0.9	0.1	10.7				10.8		10.8
Shares withheld for taxes	(0.8)	(0.1)	(14.5)				(14.6)		(14.6)
Excess tax benefit from stock-based compensation			4.3				4.3		4.3
Other				(0.4)			(0.4)	0.4	0.0
Balance at June 30, 2014	535.6	$ 53.3	$ 3,017.2	$ 865.5	$ (383.1)	$(1,363.6)	$ 2,189.3	$ 32.6	$ 2,221.9

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY – (CONTINUED)
(Amounts in Millions)
(Unaudited)

	Preferred Stock	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Treasury Stock	Total IPG Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance at December 31, 2012	$ 221.5	492.0	$ 48.8	$ 2,465.4	$ 738.3	$ (288.0)	$ (765.4)	$ 2,420.6	$ 36.0	$ 2,456.6
Net income					26.5			26.5	1.1	27.6
Other comprehensive loss						(107.4)		(107.4)	(3.0)	(110.4)
Reclassifications related to redeemable noncontrolling interests									3.6	3.6
Distributions to noncontrolling interests									(7.0)	(7.0)
Change in redemption value of redeemable noncontrolling interests					0.6			0.6		0.6
Repurchase of common stock							(180.6)	(180.6)		(180.6)
Common stock dividends					(62.7)			(62.7)		(62.7)
Preferred stock dividends					(5.8)			(5.8)		(5.8)
Conversion of convertible notes to common stock		16.9	1.7	198.3				200.0		200.0
Capped call transaction				19.1			(19.1)	0.0		0.0
Stock-based compensation		2.4	0.4	32.1				32.5		32.5
Exercise of stock options		3.5	0.4	31.5				31.9		31.9
Shares withheld for taxes		(1.5)	(0.2)	(19.4)				(19.6)		(19.6)
Excess tax benefit from stock-based compensation				6.8				6.8		6.8
Other				1.9	(0.4)			1.5	1.4	2.9
Balance at June 30, 2013	$ 221.5	513.3	$ 51.1	$ 2,735.7	$ 696.5	$ (395.4)	$ (965.1)	$ 2,344.3	$ 32.1	$ 2,376.4

The accompanying notes are an integral part of these unaudited financial statements.

Notes to Consolidated Financial Statements
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

Note 1: Basis of Presentation

The unaudited Consolidated Financial Statements have been prepared by The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company," "IPG," "we," "us" or "our") in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting interim financial information on Form 10-Q. Accordingly, they do not include certain information and disclosures required for complete financial statements. The preparation of financial statements in conformity with U.S. GAAP requires us to make judgments, assumptions and estimates that affect the amounts reported and disclosed. Actual results could differ from these estimates and assumptions. The consolidated results for interim periods are not necessarily indicative of results for the full year and should be read in conjunction with our 2013 Annual Report on Form 10-K.

In the opinion of management, these unaudited Consolidated Financial Statements include all adjustments, consisting only of normal and recurring adjustments necessary for a fair statement of the information for each period contained therein.

Note 2: Debt and Credit Arrangements

Long-Term Debt

A summary of the carrying amounts and fair values of our long-term debt is listed below.

		June 30, 2014		December 31, 2013	
	Effective Interest Rate	Book Value	Fair Value [1]	Book Value	Fair Value [1]
6.25% Senior Unsecured Notes due 2014	6.29%	$ 0.0	$ 0.0	$ 351.3	$ 365.6
2.25% Senior Notes due 2017 (less unamortized discount of $0.5)	2.30%	299.5	304.7	299.4	293.0
4.00% Senior Notes due 2022 (less unamortized discount of $2.4)	4.13%	247.6	256.9	247.4	241.6
3.75% Senior Notes due 2023 (less unamortized discount of $1.3)	4.32%	498.7	501.8	498.6	467.3
4.20% Senior Notes due 2024 (less unamortized discount of $0.9)	4.24%	499.1	514.4	0.0	0.0
Other notes payable and capitalized leases		87.4	89.4	86.7	87.8
Total long-term debt		1,632.3		1,483.4	
Less: current portion [2]		2.4		353.6	
Long-term debt, excluding current portion		$ 1,629.9		$ 1,129.8	

[1] See Note 12 for information on the fair value measurement of our long-term debt.

[2] We included our 6.25% Senior Unsecured Notes due 2014 (the "6.25% Notes") in the current portion of long-term debt on our December 31, 2013 Consolidated Balance Sheet because the 6.25% Notes were scheduled to mature on November 15, 2014. We redeemed the 6.25% Notes prior to their scheduled maturity during the second quarter of 2014.

Debt Transactions

4.20% Senior Notes due 2024

In April 2014, we issued $500.0 in aggregate principal amount of the 4.20% Senior Notes due 2024 (the "4.20% Notes") at a discount to par. As a result, the 4.20% Notes were reflected on our unaudited Consolidated Balance Sheet at a fair value of $499.1 at issuance. The discount of $0.9 and capitalized direct fees, including commissions and offering expenses of $4.4, will be amortized in interest expense through the maturity date of April 15, 2024, using the effective interest method. The net proceeds were $494.7 after deducting discounts, commissions and offering expenses. Interest is payable semi-annually in arrears on April 15th and October 15th of each year, commencing on October 15, 2014. Consistent with our other debt securities, the 4.20% Notes include covenants that, among other things, limit our liens and the liens of certain of our consolidated subsidiaries, but do not require us to maintain any financial ratios or specified levels of net worth or liquidity.

We used the majority of the net proceeds of the 4.20% Notes toward the redemption of our 6.25% Notes as described below.

At any time prior to April 15, 2024, at our option, we may redeem all or some of the 4.20% Notes at the greater of 100% of the principal amount or a "make-whole" amount, plus, in either instance, accrued and unpaid interest to the date of redemption. If we experience a change of control event, combined with a specified downgrade in the credit rating, we must offer to repurchase the 4.20% Notes in cash at a price equal to not less than 101% of the aggregate principal amount of the 4.20% Notes, plus accrued and unpaid interest to the date of repurchase.

6.25% Senior Unsecured Notes due 2014

In May 2014, we redeemed all $350.0 in aggregate principal amount of the 6.25% Notes. Total cash paid to redeem the 6.25% Notes was $371.2, which included accrued and unpaid interest of $10.3. In connection with the redemption of the 6.25% Notes, we recognized a loss on early extinguishment of debt of $10.4, which was primarily due to a redemption premium paid to noteholders. The loss on early extinguishment of debt was recorded in other (expense) income, net within our unaudited Consolidated Statement of Operations.

Credit Agreements

We maintain a committed corporate credit facility (the "Credit Agreement") and uncommitted lines of credit to increase our financial flexibility. The Credit Agreement is a revolving facility, expiring in December 2018, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of $1,000.0 or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to $250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit on letters of credit of $200.0 or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured.

We were in compliance with all of our covenants in the Credit Agreement as of June 30, 2014.

(Amounts in Millions, Except Per Share Amounts)

Note 3: Earnings Per Share

The following sets forth basic and diluted earnings per common share available to IPG common stockholders.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Net income available to IPG common stockholders - basic	$ 99.4	$ 79.9	$ 78.5	$ 20.7
Adjustments: Effect of dilutive securities				
Preferred stock dividends [1]	0.0	2.9	0.0	0.0
Net income available to IPG common stockholders - diluted	$ 99.4	$ 82.8	$ 78.5	$ 20.7
Weighted-average number of common shares outstanding - basic	421.1	425.1	421.9	419.7
Add: Effect of dilutive securities				
Restricted stock, stock options and other equity awards	7.0	6.1	6.6	5.4
Preferred stock outstanding [1]	0.0	17.1	0.0	0.0
Weighted-average number of common shares outstanding - diluted	428.1	448.3	428.5	425.1
Earnings per share available to IPG common stockholders - basic	$ 0.24	$ 0.19	$ 0.19	$ 0.05
Earnings per share available to IPG common stockholders - diluted	$ 0.23	$ 0.18	$ 0.18	$ 0.05

[1] We converted all of our 5 1/4% Series B Cumulative Convertible Perpetual Preferred Stock (the "Series B Preferred Stock") into common stock in October 2013.

The following table presents the potential shares excluded from the diluted earnings per share calculation because the effect of including these potential shares would be antidilutive.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
4.75% Notes [1]	0.0	0.0	0.0	6.6
Preferred stock [2]	0.0	0.0	0.0	17.1
Total	0.0	0.0	0.0	23.7
Securities excluded from the diluted earnings per share calculation because the exercise price was greater than the average market price:				
Stock options [3]	0.0	0.2	0.0	1.3

[1] We retired all of our outstanding 4.75% Convertible Senior Notes due 2023 (the "4.75% Notes") in March 2013. For purposes of calculating diluted earnings per share, the potentially dilutive shares are pro-rated based on the period they were outstanding but were antidilutive.
[2] We converted all of our Series B Preferred Stock into common stock in October 2013.
[3] These options are outstanding at the end of the respective periods. In any period in which the exercise price is less than the average market price, these options have the potential to be dilutive, and application of the treasury stock method would reduce this amount.

Note 4: Acquisitions

We continue to evaluate strategic opportunities to expand our industry expertise, strengthen our position in high-growth and key strategic geographical markets and industry sectors, advance technological capabilities and improve operational efficiency through both acquisitions and increased ownership interests in current investments. Our acquisitions typically provide for an initial payment at the time of closing and additional contingent purchase price payments based on the future performance of the acquired entity. We have entered into agreements that may require us to purchase additional equity interests in certain consolidated and unconsolidated subsidiaries. The amounts at which we record these transactions in our financial statements are based on estimates of the future financial performance of the acquired entity, the timing of the exercise of these rights, foreign currency exchange rates and other factors.

(Amounts in Millions, Except Per Share Amounts)

During the first half of 2014, we completed four acquisitions, consisting of a global digital agency, a digital agency in the United States, a healthcare agency in the United Kingdom and a digital public relations agency based in Sweden. Of our four acquisitions, two were included in the Integrated Agency Networks ("IAN") operating segment and two were included in the Constituency Management Group ("CMG") operating segment. During the first half of 2014, we recorded approximately $90.0 of goodwill and intangible assets related to these acquisitions.

During the first half of 2013, we completed eight acquisitions, including a full-service digital agency in India, a public relations consultancy in India and a mobile marketing agency in Australia. Of our eight acquisitions, seven were included in the IAN operating segment and one was included in the CMG operating segment. During the first half of 2013, we recorded approximately $66.0 of goodwill and intangible assets related to those acquisitions.

The results of operations of our acquired companies were included in our consolidated results from the closing date of each acquisition. Details of cash paid for current and prior years' acquisitions are listed below.

	Six months ended June 30,	
	2014	**2013**
Cost of investment: current-year acquisitions	$ 63.7	$ 51.9
Cost of investment: prior-year acquisitions	9.0	27.8
Less: net cash acquired	(13.3)	(4.7)
Total cost of investment	$ 59.4	$ 75.0
Operating expense [1]	0.1	0.0
Total cash paid for acquisitions [2]	$ 59.5	$ 75.0

1 Represents cash payments made that were either in excess of the contractual value or contingent upon the future employment of the former owners of acquired companies.

2 Of the total cash paid, $8.6 and $26.8 for the six months ended June 30, 2014, and 2013, respectively, are classified under the financing section of the unaudited Consolidated Statements of Cash Flows within acquisition-related payments. These amounts relate to increases in our ownership interests in our consolidated subsidiaries, as well as deferred payments for acquisitions that closed on or after January 1, 2009. Of the total cash paid, $50.8 and $48.2 for the six months ended June 30, 2014, and 2013, respectively, are classified under the investing section of the unaudited Consolidated Statements of Cash Flows within acquisitions, including deferred payments, net of cash acquired. These amounts relate to initial payments for new transactions and deferred payments for acquisitions that closed prior to January 1, 2009.

Many of our acquisitions also include provisions under which the noncontrolling equity owners may require us to purchase additional interests in a subsidiary at their discretion. The following table presents changes in our redeemable noncontrolling interests.

	Six months ended June 30,	
	2014	**2013**
Balance at beginning of period	$ 249.1	$ 227.2
Change in related noncontrolling interests balance	(6.8)	(3.6)
Changes in redemption value of redeemable noncontrolling interests:		
Additions	7.9	12.5
Redemptions and other	(2.9)	(2.1)
Redemption value adjustments [1]	(0.9)	(3.0)
Balance at end of period	$ 246.4	$ 231.0

1 Redeemable noncontrolling interests are reported at their estimated redemption value in each reporting period, but not less than their initial fair value. Any adjustment to the redemption value impacts retained earnings or additional paid-in capital, except adjustments as a result of currency translation.

(Amounts in Millions, Except Per Share Amounts)

Note 5: Supplementary Data

Accrued Liabilities

The following table presents the components of accrued liabilities.

	June 30, 2014	December 31, 2013
Salaries, benefits and related expenses	$ 346.4	$ 467.2
Office and related expenses	54.7	56.9
Acquisition obligations	60.4	12.8
Interest	17.8	16.0
Restructuring and other reorganization-related	10.4	46.7
Other	105.1	118.8
Total accrued liabilities	$ 594.8	$ 718.4

Other (Expense) Income, Net

Results of operations for the three and six months ended June 30, 2014 and 2013 include certain items that are not directly associated with our revenue-producing operations.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Loss on early extinguishment of debt	$ (10.4)	$ 0.0	$ (10.4)	$ 0.0
Gains on sales of businesses and investments	0.3	0.5	1.1	2.7
Vendor discounts and credit adjustments	0.2	0.3	1.7	0.5
Other (expense) income, net	(1.3)	4.0	(1.9)	3.4
Total other (expense) income, net	$ (11.2)	$ 4.8	$ (9.5)	$ 6.6

Loss on Early Extinguishment of Debt – During the second quarter of 2014, we recorded a charge of $10.4 related to the redemption of our 6.25% Notes. See Note 2 to the unaudited Consolidated Financial Statements for further information.

Sales of Businesses and Investments – During the six months ended June 30, 2014, we recognized gains from the sale of a business within our IAN segment and the sale of investments in Rabbi Trusts. During the six months ended June 30, 2013, the gains on sales of businesses and investments primarily related to a gain recognized from the sale of marketable securities in the Asia Pacific region within our IAN segment.

Vendor Discounts and Credit Adjustments – In connection with the liabilities related to vendor discounts and credits established as part of the restatement we presented in our 2004 Annual Report on Form 10-K, these adjustments reflect the reversal of certain of these liabilities primarily where the statute of limitations has lapsed, or as a result of differences resulting from settlements with clients or vendors.

Other (Expense) Income, net – During the six months ended June 30, 2014, we recorded an other-than-temporary impairment on an investment in an unconsolidated affiliate in the Asia Pacific region within our IAN segment. During the second quarter of 2013, other income, net primarily included a non-cash gain on re-measurement to fair value of an equity interest in an affiliate, located in the Asia Pacific region within our CMG segment, upon acquiring a controlling interest.

Share Repurchase Program

In February 2013, our Board of Directors (the "Board") authorized a share repurchase program to repurchase from time to time up to $300.0, excluding fees, of our common stock (the "2013 Share Repurchase Program"). In March 2013, the Board authorized an increase in the amount available under our 2013 Share Repurchase Program up to $500.0, excluding fees, of our common stock to be used towards the repurchase of shares resulting from the conversion to common stock of the 4.75% Notes. In February 2014, our Board authorized a new share repurchase program to repurchase from time to time up to $300.0, excluding fees, of our common stock (the "2014 Share Repurchase Program").

(Amounts in Millions, Except Per Share Amounts)

We may effect such repurchases through open market purchases, trading plans established in accordance with SEC rules, derivative transactions or other means. We expect to continue to repurchase our common stock in future periods, although the timing and amount of the repurchases will depend on market conditions and other funding requirements.

The following table presents our share repurchase activity under our 2013 and 2014 Share Repurchase Programs for the six months ended June 30, 2014, and 2013.

	Six months ended June 30,	
	2014	2013
Number of shares repurchased	5.6	13.7
Aggregate cost, including fees	$ 97.3	$ 180.6
Average price per share, including fees	$ 17.51	$ 13.22

As of June 30, 2014, $321.3 remains available for repurchase under the share repurchase programs. The share repurchase programs have no expiration date.

Note 6: Income Taxes

For the three and six months ended June 30, 2014, our effective income tax rate of 38.7% and 44.0%, respectively, was negatively impacted primarily by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances.

We have various tax years under examination by tax authorities in various countries, and in various states, such as New York, in which we have significant business operations. It is not yet known whether these examinations will, in the aggregate, result in our paying additional taxes. We believe our tax reserves are adequate in relation to the potential for additional assessments in each of the jurisdictions in which we are subject to taxation. We regularly assess the likelihood of additional tax assessments in those jurisdictions and, if necessary, adjust our reserves as additional information or events require.

With respect to all tax years open to examination by U.S. federal, various state and local, and non-U.S. tax authorities, we currently anticipate that total unrecognized tax benefits will decrease by an amount between $30.0 and $40.0 in the next twelve months, a portion of which will affect our effective income tax rate, primarily as a result of the settlement of tax examinations and the lapsing of statutes of limitations.

We are effectively settled with respect to U.S. income tax audits for years prior to 2009. With limited exceptions, we are no longer subject to state and local income tax audits for years prior to 2004, or non-U.S. income tax audits for years prior to 2006.

Note 7: Incentive Compensation Plans

2014 Performance Incentive Plan

We issue stock-based compensation and cash awards to our employees under a plan established by the Compensation and Leadership Talent Committee of the Board of Directors (the “Compensation Committee”) and approved by our shareholders. In May 2014, our shareholders approved the 2014 Performance Incentive Plan (the “2014 PIP”), replacing the 2009 Performance Incentive Plan (the “2009 PIP”) and previous incentive plans. The number of shares of common stock initially available for grants of all equity awards under the 2014 Plan will be 28.8. Pursuant to the terms of the 2014 PIP, the number of shares that may be awarded to any one participant for each type of award is limited to 2.0. The vesting period of awards granted is generally commensurate with the requisite service period. We generally issue new shares to satisfy the exercise of stock options or the distribution of other stock-based awards.

Additionally, under the 2014 PIP, we have the ability to issue performance cash awards. The performance cash awards are granted to certain employees who otherwise would have been eligible to receive performance-based stock awards. These awards have a service period vesting condition and a performance vesting condition. The amount of the performance cash award received by an employee with a performance vesting condition can range from 0% to 300% of the target amount of the original grant value. Performance cash awards generally vest in three years. A committee of the Board of Directors may grant performance cash awards to any eligible employee; however, no employee can receive more than $10.0 during a performance period.

Notes to Consolidated Financial Statements – (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

We issued the following stock-based awards under the 2009 PIP and 2014 PIP during the six months ended June 30, 2014.

	Awards	Weighted-average grant-date fair value (per award)
Stock-settled awards	1.1	$ 17.67
Performance-based awards	3.5	$ 16.55
Total stock-based compensation awards	4.6	

During the six months ended June 30, 2014, the Compensation Committee granted performance cash awards under the 2009 PIP and 2014 PIP with a total target value of $31.3 and $1.1 and restricted cash awards with a total target value of $4.8 and $0.4, respectively. Cash awards are amortized over the vesting period, typically three years.

Note 8: Restructuring and Other Reorganization-Related Liabilities

In the fourth quarter of 2013, the Company implemented a cost savings initiative (the "2013 Plan") to better align our cost structure with our revenue, primarily in Continental Europe. During the six months ended June 30, 2014, we recorded $0.2 of net reversals related to the 2013 Plan, which was included in office and general expenses within our unaudited Consolidated Statements of Operations. All restructuring actions were substantially completed by the end of the first quarter of 2014, with remaining payments expected to be made through 2017.

A summary of the 2013 Plan restructuring liability activity is listed below.

	December 31, 2013	Net Restructuring (Reversals) Charges	Cash Payments	June 30, 2014
Severance and termination costs	$ 46.5	$ (0.4)	$ (36.5)	$ 9.6
Lease termination costs	3.9	0.2	(0.6)	3.5
Other exit costs	0.5	0.0	(0.4)	0.1
Total	$ 50.9	$ (0.2)	$ (37.5)	$ 13.2

Net restructuring reversals related to the 2013 Plan for the six months ended June 30, 2014, were comprised of net reversals of approximately $0.2 at CMG.

Prior Restructuring Plans

The 2007, 2003 and 2001 restructuring plans (the "Prior Restructuring Plans") with current quarter activity included net charges that are adjustments primarily resulting from changes in management’s estimates relating to sublease rental income assumptions. For the six months ended June 30, 2014 and 2013, the Prior Restructuring Plans incurred net restructuring and other reorganization-related charges of $0.4 and $0.2, respectively. As of June 30, 2014, the remaining liability for the Prior Restructuring Plans was $1.4.

Note 9: Accumulated Other Comprehensive Loss, Net of Tax

The following tables present the changes in accumulated other comprehensive loss, net of tax by component.

	Foreign Currency Translation Adjustments	Available-for-Sale Securities	Derivative Instruments	Defined Benefit Pension and Other Postretirement Plans	Total
Balance as of December 31, 2013	$ (243.7)	$ 0.4	$ (11.7)	$ (156.2)	$ (411.2)
Other comprehensive income (loss) before reclassifications	25.4	0.2	(0.6)	(0.5)	24.5
Amount reclassified from accumulated other comprehensive loss, net of tax	(0.9)	0.0	0.8	3.7	3.6
Balance as of June 30, 2014	$ (219.2)	$ 0.6	$ (11.5)	$ (153.0)	$ (383.1)

(Amounts in Millions, Except Per Share Amounts)

	Foreign Currency Translation Adjustments	Available-for-Sale Securities	Derivative Instruments	Defined Benefit Pension and Other Postretirement Plans	Total
Balance as of December 31, 2012	$ (130.1)	$ 0.8	$ (12.7)	$ (146.0)	$ (288.0)
Other comprehensive (loss) income before reclassifications	(110.3)	0.8	0.0	(0.7)	(110.2)
Amount reclassified from accumulated other comprehensive loss, net of tax	0.0	(1.2)	0.5	3.5	2.8
Balance as of June 30, 2013	$ (240.4)	$ 0.4	$ (12.2)	$ (143.2)	$ (395.4)

Amounts reclassified from accumulated other comprehensive loss, net of tax for the three and six months ended June 30, 2014 and 2013 are as follows:

	Three months ended June 30,		Six months ended June 30,		
	2014	2013	2014	2013	Affected Line Item in the Consolidated Statements of Operations
Foreign currency translation adjustments	$ 0.0	$ 0.0	$ (0.9)	$ 0.0	Other (expense) income, net
Gains on available-for-sale securities	0.0	(0.4)	0.0	(1.4)	Other (expense) income, net
Losses on derivative instruments	0.5	0.5	0.9	0.9	Interest expense
Amortization of defined benefit pension and postretirement plans items [1]	2.4	2.7	5.0	5.5	
Tax effect	(0.9)	(1.4)	(1.4)	(2.2)	Provision for income taxes
Total amount reclassified from accumulated other comprehensive loss, net of tax	$ 2.0	$ 1.4	$ 3.6	2.8	

[1] These accumulated other comprehensive loss components are included in the computation of net periodic cost. See Note 10 for further information.

Note 10: Employee Benefits

We have a defined benefit pension plan (the "Domestic Pension Plan") that covers certain U.S. employees. We also have numerous funded and unfunded plans outside the U.S. The Interpublic Limited Pension Plan in the U.K. is a defined benefit plan and is our most material foreign pension plan in terms of the benefit obligation and plan assets. Some of our domestic and foreign subsidiaries provide postretirement health benefits and life insurance to eligible employees and, in certain cases, their dependents. The domestic postretirement benefit plan is our most material postretirement benefit plan in terms of the benefit obligation. Certain immaterial foreign pension and postretirement benefit plans have been excluded from the table below.

The components of net periodic cost for the Domestic Pension Plan, the significant foreign pension plans and the domestic postretirement benefit plan are listed below.

	Domestic Pension Plan		Foreign Pension Plans		Domestic Postretirement Benefit Plan	
Three months ended June 30,	2014	2013	2014	2013	2014	2013
Service cost	$ 0.0	$ 0.0	$ 2.4	$ 2.6	$ 0.0	$ 0.0
Interest cost	1.5	1.3	5.9	5.2	0.5	0.3
Expected return on plan assets	(1.8)	(1.9)	(6.2)	(4.8)	0.0	0.0
Amortization of:						
Prior service cost (credit)	0.0	0.0	0.1	0.1	(0.1)	0.0
Unrecognized actuarial losses	1.6	1.9	0.8	0.7	0.0	0.0
Net periodic cost	$ 1.3	$ 1.3	$ 3.0	$ 3.8	$ 0.4	$ 0.3

Notes to Consolidated Financial Statements – (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	Domestic Pension Plan		Foreign Pension Plans		Domestic Postretirement Benefit Plan	
Six months ended June 30,	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Service cost	$ 0.0	$ 0.0	$ 4.9	$ 5.1	$ 0.0	$ 0.0
Interest cost	3.1	2.7	11.8	10.6	0.9	0.8
Expected return on plan assets	(3.7)	(3.9)	(12.4)	(9.6)	0.0	0.0
Amortization of:						
Prior service cost (credit)	0.0	0.0	0.1	0.1	(0.1)	0.0
Unrecognized actuarial losses	3.3	4.0	1.7	1.4	0.0	0.0
Net periodic cost	$ 2.7	$ 2.8	$ 6.1	$ 7.6	$ 0.8	$ 0.8

During the six months ended June 30, 2014, we contributed $1.5 and $12.6 of cash to our domestic and foreign pension plans, respectively. For the remainder of 2014, we expect to contribute approximately $1.0 and $12.0 of cash to our domestic and foreign pension plans, respectively.

Note 11: Segment Information

We have two reportable segments, IAN and CMG. IAN is comprised of McCann Worldgroup, FCB (Foote, Cone & Belding), Lowe & Partners, IPG Mediabrands, our digital specialist agencies and our domestic integrated agencies. CMG is comprised of a number of our specialist marketing services offerings. We also report results for the “Corporate and other” group. The profitability measure employed by our chief operating decision maker for allocating resources to operating divisions and assessing operating division performance is segment operating income (loss). The segment information is presented consistently with the basis described in our 2013 Annual Report on Form 10-K, except that segment operating income (loss) for the three and six months ended June 30, 2014 and 2013, respectively, includes the impact of net restructuring and other reorganization-related charges (reversals). See Note 8 for further information on net restructuring and other reorganization-related liabilities.

(Amounts in Millions, Except Per Share Amounts)

Summarized financial information concerning our reportable segments is shown in the following table.

	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Revenue:				
IAN	$ 1,496.0	$ 1,435.7	$ 2,811.7	$ 2,676.8
CMG	355.4	320.5	677.2	622.4
Total	$ 1,851.4	$ 1,756.2	$ 3,488.9	$ 3,299.2
Segment operating income (loss):				
IAN	$ 184.0	$ 169.2	$ 195.5	$ 146.6
CMG	41.3	34.6	58.8	48.6
Corporate and other	(29.5)	(29.0)	(70.2)	(62.8)
Total	195.8	174.8	184.1	132.4
Interest expense	(22.6)	(37.5)	(42.8)	(74.3)
Interest income	6.6	5.8	12.8	12.2
Other (expense) income, net	(11.2)	4.8	(9.5)	6.6
Income before income taxes	$ 168.6	$ 147.9	$ 144.6	$ 76.9
Depreciation and amortization of fixed assets and intangible assets:				
IAN	$ 30.2	$ 31.6	$ 61.7	$ 62.5
CMG	4.6	3.9	8.8	7.7
Corporate and other	5.4	3.7	10.2	7.2
Total	$ 40.2	$ 39.2	$ 80.7	$ 77.4
Capital expenditures:				
IAN	$ 17.2	$ 13.5	$ 31.1	$ 23.5
CMG	3.1	3.1	5.6	4.1
Corporate and other	11.8	12.4	22.0	19.2
Total	$ 32.1	$ 29.0	$ 58.7	$ 46.8

	June 30, 2014	December 31, 2013
Total assets:		
IAN	$ 11,175.2	$ 11,425.1
CMG	1,326.2	1,203.8
Corporate and other	(161.7)	276.1
Total	$ 12,339.7	$ 12,905.0

(Amounts in Millions, Except Per Share Amounts)

Note 12: Fair Value Measurements

Authoritative guidance for fair value measurements establishes a fair value hierarchy which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial Instruments that are Measured at Fair Value on a Recurring Basis

We primarily apply the market approach to determine the fair value of financial instruments that are measured at fair value on a recurring basis. There were no changes to our valuation techniques used to determine the fair value of financial instruments during the six months ended June 30, 2014. The following tables present information about our financial instruments measured at fair value on a recurring basis as of June 30, 2014, and December 31, 2013, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

	June 30, 2014				
	Level 1	Level 2	Level 3	Total	Balance Sheet Classification
Assets					
Cash equivalents	$ 435.5	$ 0.0	$ 0.0	$ 435.5	Cash and cash equivalents
Short-term marketable securities	6.3	0.0	0.0	6.3	Marketable securities
Long-term investments	0.5	0.0	0.0	0.5	Other non-current assets
Total	$ 442.3	$ 0.0	$ 0.0	$ 442.3	
As a percentage of total assets	3.6%	0.0%	0.0%	3.6%	
Liabilities					
Mandatorily redeemable noncontrolling interests [1]	$ 0.0	$ 0.0	$ 28.7	$ 28.7	

	December 31, 2013				
	Level 1	Level 2	Level 3	Total	Balance Sheet Classification
Assets					
Cash equivalents	$ 761.2	$ 0.0	$ 0.0	$ 761.2	Cash and cash equivalents
Short-term marketable securities	5.3	0.0	0.0	5.3	Marketable securities
Long-term investments	1.6	0.0	0.0	1.6	Other non-current assets
Total	$ 768.1	$ 0.0	$ 0.0	$ 768.1	
As a percentage of total assets	6.0%	0.0%	0.0%	6.0%	
Liabilities					
Mandatorily redeemable noncontrolling interests [1]	$ 0.0	$ 0.0	$ 27.0	$ 27.0	

[1] Relates to unconditional obligations to purchase additional noncontrolling equity shares of consolidated subsidiaries. Fair value measurement of the obligation was based upon the amount payable as if the forward contracts were settled. The amount redeemable within the next twelve months is classified in accrued liabilities; any interests redeemable thereafter are classified in other non-current liabilities.

(Amounts in Millions, Except Per Share Amounts)

The following table presents additional information about financial instruments measured at fair value on a recurring basis and for which we utilize Level 3 inputs to determine fair value for the three and six months ended June 30, 2014.

	Three months ended June 30,		Six months ended June 30,	
Liabilities	**2014**	**2013**	**2014**	**2013**
Mandatorily redeemable noncontrolling interests - Balance at beginning of period	$ 28.9	$ 24.6	$ 27.0	$ 25.3
Level 3 additions	0.5	1.0	2.5	1.0
Level 3 reductions	(0.6)	(0.9)	(0.6)	(0.9)
Realized (gains)/losses included in net income	(0.1)	1.0	(0.2)	0.3
Mandatorily redeemable noncontrolling interests - Balance at end of period	$ 28.7	$ 25.7	$ 28.7	$ 25.7

Realized (gains)/losses included in net income for mandatorily redeemable noncontrolling interests are reported as a component of interest expense in the unaudited Consolidated Statements of Operations.

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The following table presents information about our financial instruments that are not measured at fair value on a recurring basis as of June 30, 2014, and December 31, 2013, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

	June 30, 2014				December 31, 2013			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Total long-term debt	$ 0.0	$ 1,577.8	$ 89.4	$ 1,667.2	$ 0.0	$ 1,367.5	$ 87.8	$ 1,455.3

Our long-term debt comprises senior notes and other notes payable. The fair value of our senior notes traded over-the-counter is based on quoted prices for such securities, but which fair value can also be derived from inputs that are readily observable. Therefore, these senior notes are classified as Level 2 within the fair value hierarchy. Our other notes payable are not actively traded and their fair value is not solely derived from readily observable inputs. Thus, the fair value of our other notes payable is determined based on a discounted cash flow model and other proprietary valuation methods, and therefore is classified as Level 3 within the fair value hierarchy. See Note 2 for further information on our long-term debt.

Non-financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Certain non-financial assets and liabilities are measured at fair value on a recurring basis, primarily accrued restructuring charges.

Non-financial Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

Certain non-financial assets and liabilities are measured at fair value on a nonrecurring basis, primarily goodwill, intangible assets, and property, plant and equipment. Accordingly, these assets are not measured and adjusted to fair value on an ongoing basis but are subject to periodic evaluations for potential impairment.

Note 13: Commitments and Contingencies

Legal Matters

We are involved in various legal proceedings, and subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities, arising in the normal course of business. We evaluate all cases each reporting period and record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount, or potential range, of loss can be reasonably estimated. In certain cases, we cannot reasonably estimate the potential loss because, for example, the litigation is in its early stages. While any outcome related to litigation or such governmental proceedings in which we are involved cannot be predicted with certainty, management believes that the outcome of these matters, individually and in the aggregate, will not have a material adverse effect on our financial condition, results of operations or cash flows.

Guarantees

As discussed in our 2013 Annual Report on Form 10-K, we have guaranteed certain obligations of our subsidiaries relating principally to operating leases and credit facilities of certain subsidiaries. The amount of parent company guarantees on lease obligations was $575.6 and $588.1 as of June 30, 2014 and December 31, 2013, respectively, and the amount of parent company guarantees primarily relating to credit facilities was $317.8 and $279.6 as of June 30, 2014 and December 31, 2013, respectively.

Note 14: Recent Accounting Standards

Share-Based Payments with Performance Targets

In June 2014, Financial Accounting Standard Board (the "FASB") issued amended guidance which requires that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. This amended guidance will be effective for us beginning January 1, 2016 and can be either applied prospectively or retrospectively. As such, the performance target should not be reflected in estimating the grant date fair value of the award. We are currently assessing the impact the adoption of the amended guidance will have on our Consolidated Financial Statements.

Revenue Recognition

In May 2014, the FASB issued amended guidance on revenue recognition, which will be effective for us beginning January 1, 2017 and can be applied retrospectively or as a cumulative effect adjustment as of the date of adoption. Early adoption is not permitted. The amended guidance requires entities to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. We are currently assessing the impact the adoption of the amended guidance will have on our Consolidated Financial Statements.

Discontinued Operations

In April 2014, the FASB issued amended guidance which changes the criteria for reporting a discontinued operation, which will be effective for us beginning January 1, 2015 and applied prospectively. Early adoption is permitted, but only for disposals or classifications of held for sale that have not been reported in financial statements previously issued or available for issuance. The amended guidance limits reporting on discontinued operations involving disposals of an entity's components that represent strategic shifts that have (or will have) a major effect on an entity’s operations and financial results. The amended guidance also expands the definition of a discontinued operation to include disposals of equity method investments and a business or nonprofit activity that, on acquisition, meets the criteria to be classified as held for sale. The amended guidance also requires enhanced disclosure requirements related to discontinued operations as well as additional disclosures regarding individually significant disposals that do not qualify for discontinued operations reporting. We early adopted the amended guidance for the quarter ended June 30, 2014. The adoption of this amended guidance did not have a significant impact on our unaudited Consolidated Financial Statements.

Unrecognized Tax Benefits

In July 2013, the FASB issued amended guidance on the presentation of unrecognized tax benefits when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists at the reporting date. The amended guidance requires an entity to present unrecognized tax benefits as a reduction to the deferred tax assets created by net operating losses, similar tax losses or tax credits that occur in the same taxing jurisdiction. To the extent that the unrecognized tax benefit exceeds these losses or credits, it shall be presented as a liability. We adopted the amended guidance as of December 31, 2013. The adoption of this amended guidance did not have a significant impact on our Consolidated Financial Statements.

Item 2. ***Management’s Discussion and Analysis of Financial Condition and Results of Operations***

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is intended to help you understand The Interpublic Group of Companies, Inc. and its subsidiaries (“IPG,” “we,” “us” or “our”). MD&A should be read in conjunction with our unaudited Consolidated Financial Statements and the accompanying notes included in this report and our 2013 Annual Report on Form 10-K, as well as our other reports and filings with the Securities and Exchange Commission (“SEC”). Our Annual Report includes additional information about our significant accounting policies and practices as well as details about our most significant risks and uncertainties associated with our financial and operating results. Our MD&A includes the following sections:

EXECUTIVE SUMMARY provides a discussion about our strategic outlook, factors influencing our business and an overview of our results of operations.

RESULTS OF OPERATIONS provides an analysis of the consolidated and segment results of operations for the periods presented.

LIQUIDITY AND CAPITAL RESOURCES provides an overview of our cash flows, funding requirements, financing and sources of funds and debt credit ratings.

CRITICAL ACCOUNTING ESTIMATES provides an update to the discussion in our 2013 Annual Report on Form 10-K of our accounting policies that require critical judgment, assumptions and estimates.

RECENT ACCOUNTING STANDARDS, by reference to Note 14 to the unaudited Consolidated Financial Statements, provides a discussion of certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

EXECUTIVE SUMMARY

We are one of the world’s premier global advertising and marketing services companies. Our companies specialize in consumer advertising, digital marketing, communications planning and media buying, public relations and specialized communications disciplines. Our agencies create customized marketing programs for clients that range in scale from large global marketers to regional and local clients. Comprehensive global services are critical to effectively serve our multinational and local clients in markets throughout the world, as they seek to build brands, increase sales of their products and services and gain market share.

We operate in a media landscape that continues to evolve at a rapid pace. Media channels continue to fragment, and clients face an increasingly complex consumer environment. To stay ahead of these challenges and to achieve our objectives, we have made and continue to make investments in creative and strategic talent in areas including fast-growth digital marketing channels, high-growth geographic regions and strategic world markets. In addition, we consistently review opportunities within our company to enhance our operations through mergers and strategic alliances, as well as the development of internal programs that encourage intra-company collaboration. As appropriate, we also develop relationships with technology and emerging media companies that are building leading-edge marketing tools that complement our agencies' skill sets and capabilities.

Our financial goals include competitive organic revenue growth and operating margin expansion, which we expect will further strengthen our balance sheet and total liquidity and increase value to our shareholders. Accordingly, we remain focused on meeting the evolving needs of our clients while concurrently managing our cost structure. We continually seek greater efficiency in the delivery of our services, focusing on more effective resource utilization, including the productivity of our employees, real estate, information technology and shared services, such as finance, human resources and legal. The improvements we have made in our financial reporting and business information systems in recent years, and which continue, allow us more timely and actionable insights from our global operations. Our disciplined approach to our balance sheet and liquidity provides us with a solid financial foundation and financial flexibility to manage and grow our business.

(Amounts in Millions, Except Per Share Amounts)

The following tables present a summary of financial performance for the three and six months ended June 30, 2014, as compared with the same period in 2013.

	Three months ended June 30, 2014		Six months ended June 30, 2014	
% Increase	**Total**	**Organic**	**Total**	**Organic**
Revenue	5.4%	4.7%	5.7%	5.6%
Salaries and related expenses	4.5%	3.2%	4.7%	4.3%
Office and general expenses	5.2%	4.7%	3.4%	3.5%

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Operating margin	10.6%	10.0%	5.3%	4.0%
Expenses as % of revenue:				
Salaries and related expenses	63.2%	63.8%	67.6%	68.3%
Office and general expenses	26.2%	26.3%	27.1%	27.7%
Net income available to IPG common stockholders [1]	$ 99.4	$ 79.9	$ 78.5	$ 20.7
Earnings per share available to IPG common stockholders:				
Basic [1]	$ 0.24	$ 0.19	$ 0.19	$ 0.05
Diluted [1]	$ 0.23	$ 0.18	$ 0.18	$ 0.05

[1] For the three and six months ended June 30, 2014, net income available to IPG common stockholders includes a loss on early extinguishment of debt of $6.6, net of tax. As a result, for the three and six months ended June 30, 2014, basic and diluted earnings per share were impacted by $0.01 and $0.02 per share, respectively.

When we analyze period-to-period changes in our operating performance we determine the portion of the change that is attributable to changes in foreign currency rates, the net effect of acquisitions and divestitures, and the remainder we call organic change, which indicates how our underlying business performed. The performance metrics that we use to evaluate our results include the organic change in revenue, salaries and related expenses and office and general expenses, and the components of operating expenses, expressed as a percentage of total consolidated revenue. Additionally, in certain of our discussions we analyze revenue by business sector, where we focus on our top 100 clients, which typically constitute approximately 55% to 60% of our annual consolidated revenues. We also analyze revenue by geographic region.

The change in our operating performance attributable to changes in foreign currency rates is determined by converting the prior-period reported results using the current-period exchange rates and comparing these prior-period adjusted amounts to the prior-period reported results. Although the U.S. Dollar is our reporting currency, a substantial portion of our revenues and expenses are generated in foreign currencies. Therefore, our reported results are affected by fluctuations in the currencies in which we conduct our international businesses. We do not use derivative financial instruments to manage this translation risk. Our exposure is mitigated as the majority of our revenues and expenses in any given market are generally denominated in the same currency. Both positive and negative currency fluctuations against the U.S. Dollar affect our consolidated results of operations, and the magnitude of the foreign currency impact on us related to each geographic region depends on the significance and operating performance of the region. The primary foreign currencies that impacted our results during the first half of 2014 include the Australian Dollar, Brazilian Real, British Pound Sterling, and the Euro. During the first half of 2014, the U.S. Dollar was stronger relative to several foreign currencies in regions where we primarily conduct our business as compared to the prior-year period, which had a net negative impact on our consolidated results of operations. For the second quarter of 2014, foreign currency fluctuations resulted in net decreases of less than 1% in revenues and operating expenses, and negatively impacted our operating margin percentage. For the first half of 2014, foreign currency fluctuations resulted in net decreases of approximately 1% in revenues and operating expenses, and had a net negative impact on our operating margin percentage.

For purposes of analyzing changes in our operating performance attributable to the net effect of acquisitions and divestitures, transactions are treated as if they occurred on the first day of the quarter during which the transaction occurred. During the past few years we have acquired companies that we believe will enhance our offerings and disposed of businesses that are not consistent with our strategic plan. For the second quarter and first half of 2014, the net effect of acquisitions and divestitures was an increase to revenue and operating expenses compared to the prior-year period.

(Amounts in Millions, Except Per Share Amounts)

RESULTS OF OPERATIONS

Consolidated Results of Operations – Three and Six Months Ended June 30, 2014 Compared to Three and Six Months Ended June 30, 2013

REVENUE

		Components of Change				Change	
	Three months ended June 30, 2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended June 30, 2014	Organic	Total
Consolidated	$ 1,756.2	$ (8.1)	$ 20.3	$ 83.0	$ 1,851.4	4.7 %	5.4 %
Domestic	996.6	0.0	5.4	28.9	1,030.9	2.9 %	3.4 %
International	759.6	(8.1)	14.9	54.1	820.5	7.1 %	8.0 %
United Kingdom	119.4	11.8	8.2	19.6	159.0	16.4 %	33.2 %
Continental Europe	196.3	7.8	2.5	(2.8)	203.8	(1.4)%	3.8 %
Asia Pacific	221.0	(10.3)	3.6	9.8	224.1	4.4 %	1.4 %
Latin America	119.8	(13.0)	0.6	8.9	116.3	7.4 %	(2.9)%
Other	103.1	(4.4)	0.0	18.6	117.3	18.0 %	13.8 %

During the second quarter of 2014, our revenue increased by $95.2, or 5.4%, compared to the second quarter of 2013, due to an organic revenue increase of $83.0, or 4.7%, and the effect of net acquisitions of $20.3, partially offset by an adverse foreign currency rate impact of $8.1. Our organic revenue increased throughout nearly all geographic regions, attributable to net higher spending from existing clients and net client wins in most client sectors, most notably in the health care and auto and transportation sectors, partially offset by a decline in the technology and telecom sector. In our international markets, the organic revenue increase was primarily in the United Kingdom, which included growth at our events marketing, advertising and media, and public relations businesses. In addition, there were international organic revenue increases in the Asia Pacific, Latin America and Other regions, primarily in the Middle East and Canada. The international organic revenue increase was partially offset by an organic revenue decrease in the Continental Europe region due to a continued challenging economic climate. The organic increase in our domestic market was driven by growth across most disciplines, including our media business, digital specialist agencies, public relations and sports marketing businesses, partially offset by lower pass-through revenues at certain of our advertising agencies and our events marketing business.

Our revenue is directly impacted by our ability to win new clients and the retention and spending levels of existing clients. Most of our expenses are recognized ratably throughout the year and are therefore less seasonal than revenue. Our revenue is typically lowest in the first quarter and highest in the fourth quarter. This reflects the seasonal spending of our clients, incentives earned at year end on various contracts and project work completed that is typically recognized during the fourth quarter. In the events marketing business, revenues can fluctuate due to the timing of completed projects, as revenue is typically recognized when the project is complete. When we act as principal for these projects, we record the gross amount billed to the client as revenue and the related costs incurred as pass-through costs in office and general expenses.

		Components of Change				Change	
	Six months ended June 30, 2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six months ended June 30, 2014	Organic	Total
Consolidated	$ 3,299.2	$ (29.8)	$ 34.5	$ 185.0	$ 3,488.9	5.6%	5.7%
Domestic	1,891.0	0.0	6.7	72.2	1,969.9	3.8%	4.2%
International	1,408.2	(29.8)	27.8	112.8	1,519.0	8.0%	7.9%
United Kingdom	257.8	20.1	14.3	34.4	326.6	13.3%	26.7%
Continental Europe	355.8	10.7	1.8	3.2	371.5	0.9%	4.4%
Asia Pacific	396.9	(25.0)	10.1	30.7	412.7	7.7%	4.0%
Latin America	206.1	(25.5)	1.6	24.7	206.9	12.0%	0.4%
Other	191.6	(10.1)	0.0	19.8	201.3	10.3%	5.1%

During the first half of 2014, our revenue increased by $189.7, or 5.7%, compared to the first half of 2013, due to an organic revenue increase of $185.0, or 5.6%, and the effect of net acquisitions of $34.5, partially offset by an adverse foreign currency rate impact of $29.8. Our organic revenue increase was across all our geographic regions, primarily driven by factors similar to those noted above for the second quarter of 2014. The organic revenue increases in the international and domestic markets were primarily driven by factors similar to those noted above for the second quarter of 2014.

(Amounts in Millions, Except Per Share Amounts)

Refer to the segment discussion later in this MD&A for information on changes in revenue by segment.

OPERATING EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Salaries and related expenses	$ 1,170.2	$ 1,120.2	$ 2,358.8	$ 2,252.3
Office and general expenses	485.4	461.2	946.0	914.5
Total operating expenses	$ 1,655.6	$ 1,581.4	$ 3,304.8	$ 3,166.8
Operating income	$ 195.8	$ 174.8	$ 184.1	$ 132.4

Salaries and Related Expenses

		Components of Change				Change	
	2013	**Foreign Currency**	**Net Acquisitions/ (Divestitures)**	**Organic**	**2014**	**Organic**	**Total**
Three months ended June 30,	$ 1,120.2	$ 1.7	$ 12.7	$ 35.6	$ 1,170.2	3.2%	4.5%
Six months ended June 30,	2,252.3	(11.5)	20.4	97.6	2,358.8	4.3%	4.7%

Our staff cost ratio, defined as salaries and related expenses as a percentage of total consolidated revenue, decreased in the second quarter of 2014 to 63.2% from 63.8% when compared to the prior-year period. Salaries and related expenses in the second quarter of 2014 increased by $50.0 compared to the second quarter of 2013, primarily due to an organic increase of $35.6 and the effect of net acquisitions of $12.7. The organic increase was primarily attributable to an increase in base salaries, benefits and temporary help of $46.5, primarily due to increases in our workforce at businesses and in regions where we had revenue growth or new business wins. The increase was partially offset by lower severance expense.

Our staff cost ratio decreased in the first half of 2014 to 67.6% from 68.3% when compared to the prior-year period. Salaries and related expenses in the first half of 2014 increased by $106.5 compared to the first half of 2013, due to an organic increase of $97.6 and the effect of net acquisitions of $20.4, partially offset by a favorable foreign currency rate impact of $11.5. The organic increase was primarily attributable to an increase in base salaries, benefits and temporary help of $96.4, primarily driven by factors similar to those noted above for the second quarter of 2014. Also contributing to the increase was the timing of certain agency-related bonus accruals.

The following table details our salaries and related expenses as a percentage of total consolidated revenue.

	Three months ended June 30,		Six months ended June 30,	
	2014	**2013**	**2014**	**2013**
Salaries and related expenses	**63.2%**	**63.8%**	**67.6%**	**68.3%**
Base salaries, benefits and tax	53.6%	53.5%	56.8%	57.1%
Incentive expense	2.7%	2.8%	3.3%	3.4%
Severance expense	0.9%	1.3%	1.0%	1.5%
Temporary help	3.7%	3.6%	3.8%	3.7%
All other salaries and related expenses	2.3%	2.6%	2.7%	2.6%

(Amounts in Millions, Except Per Share Amounts)

Office and General Expenses

		Components of Change				Change	
	2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	2014	Organic	Total
Three months ended June 30,	$ 461.2	$ (2.5)	$ 4.9	$ 21.8	$ 485.4	4.7%	5.2%
Six months ended June 30,	914.5	(9.5)	8.7	32.3	946.0	3.5%	3.4%

Our office and general expense ratio, defined as office and general expenses as a percentage of total consolidated revenue, decreased in the second quarter of 2014 to 26.2% from 26.3% when compared to the prior-year period. Office and general expenses in the second quarter of 2014 increased by $24.2 compared to the second quarter of 2013, primarily due to an organic increase of $21.8. The organic increase was primarily attributable to higher adjustments to contingent acquisition obligations, as compared to the prior year. The organic increase was also attributable to increases in foreign currency adjustments and expenses for new business. This increase was partially offset by lower production expenses related to pass-through costs, which are also reflected in revenue, primarily in the domestic market.

Our office and general expense ratio decreased in the first half of 2014 to 27.1% from 27.7% when compared to the prior-year period. Office and general expenses in the first half of 2014 increased by $31.5 compared to the first half of 2013, primarily due to an organic increase of $32.3.The organic increase was driven by factors similar to those noted above for the second quarter of 2014, as well as higher occupancy costs, and increased spending to support increased pitch activity.

The following table details our office and general expenses as a percentage of total consolidated revenue.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Office and general expenses	**26.2%**	**26.3%**	**27.1%**	**27.7%**
Professional fees	1.6%	1.7%	1.7%	1.7%
Occupancy expense (excluding depreciation and amortization)	6.8%	7.1%	7.2%	7.5%
Travel & entertainment, office supplies and telecommunications	3.6%	3.8%	3.7%	3.8%
All other office and general expenses	14.2%	13.7%	14.5%	14.7%

All other office and general expenses primarily include production expenses, and, to a lesser extent, depreciation and amortization, bad debt expense, adjustments for contingent acquisition obligations, foreign currency gains (losses), net restructuring and other reorganization-related charges (reversals), long-lived asset impairments and other expenses.

EXPENSES AND OTHER INCOME

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Cash interest on debt obligations	$ (21.2)	$ (33.6)	$ (40.5)	$ (69.7)
Non-cash interest	(1.4)	(3.9)	(2.3)	(4.6)
Interest expense	(22.6)	(37.5)	(42.8)	(74.3)
Interest income	6.6	5.8	12.8	12.2
Net interest expense	(16.0)	(31.7)	(30.0)	(62.1)
Other (expense) income, net	(11.2)	4.8	(9.5)	6.6
Total (expenses) and other income	$ (27.2)	$ (26.9)	$ (39.5)	$ (55.5)

Net Interest Expense

For the three and six months ended June 30, 2014, net interest expense decreased by $15.7 and $32.1, as compared to the respective prior-year periods. Cash interest expense decreased primarily due to a decrease in lower average borrowing costs and lower debt obligations in the current year. Cash interest expense decreased due to the redemption of our 6.25% Senior Unsecured Notes due 2014 (the "6.25% Notes") in the second quarter of 2014 and the redemption of our 10.00% Senior Unsecured Notes due 2017 in the third quarter of 2013, partially offset by the issuance of our 4.20% Senior Notes due 2024 (the "4.20% Notes").

(Amounts in Millions, Except Per Share Amounts)

Other (Expense) Income, Net

Results of operations for the three and six months ended June 30, 2014 and 2013 include certain items that are not directly associated with our revenue-producing operations.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Loss on early extinguishment of debt	$ (10.4)	$ 0.0	$ (10.4)	$ 0.0
Gains on sales of businesses and investments	0.3	0.5	1.1	2.7
Vendor discounts and credit adjustments	0.2	0.3	1.7	0.5
Other (expense) income, net	(1.3)	4.0	(1.9)	3.4
Total other (expense) income, net	$ (11.2)	$ 4.8	$ (9.5)	$ 6.6

Loss on Early Extinguishment of Debt – During the second quarter of 2014, we recorded a charge of $10.4 related to the redemption of our 6.25% Notes. See Note 2 to the unaudited Consolidated Financial Statements for further information.

Sales of Businesses and Investments – During the first half of 2014, we recognized gains from the sale of a business within our Intergrated Agency Networks ("IAN") segment and the sale of investments in Rabbi Trusts. During the first half of 2013, the gains on sales of businesses and investments primarily related to a gain recognized in the first quarter of 2013 from the sale of marketable securities in the Asia Pacific region within our IAN segment.

Vendor Discounts and Credit Adjustments – In connection with the liabilities related to vendor discounts and credits established as part of the restatement we presented in our 2004 Annual Report on Form 10-K, these adjustments reflect the reversal of certain of these liabilities primarily where the statute of limitations has lapsed, or as a result of differences resulting from settlements with clients or vendors.

Other (Expense) Income, net – During the first half of 2014, we recorded an other-than-temporary impairment on an investment in an unconsolidated affiliate in the Asia Pacific region within our IAN segment. During the second quarter of 2013, other income, net primarily included a non-cash gain on re-measurement to fair value of an equity interest in an affiliate, located in the Asia Pacific region within our Constituency Management Group ("CMG") segment, upon acquiring a controlling interest.

INCOME TAXES

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Income before income taxes	$ 168.6	$ 147.9	$ 144.6	$ 76.9
Provision for income taxes	$ 65.3	$ 62.0	$ 63.6	$ 49.6
Effective income tax rate	38.7%	41.9%	44.0%	64.5%

Our tax rates are affected by many factors, including our worldwide earnings from various countries, changes in legislation and tax characteristics of our income. For the three and six months ended June 30, 2014, our effective income tax rate of 38.7% and 44.0%, respectively, was negatively impacted primarily by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances.

For the three and six months ended June 30, 2013, our effective income tax rate of 41.9% and 64.5%, respectively, was negatively impacted primarily by losses in certain foreign locations for which we receive no tax benefit due to 100% valuation allowances.

EARNINGS PER SHARE

Basic earnings per share available to IPG common stockholders for the three and six months ended June 30, 2014 was $0.24 and $0.19 per share, respectively, compared to $0.19 and $0.05 per share for the three and six months ended June 30, 2013, respectively. Diluted earnings per share was $0.23 and $0.18 per share for the three and six months ended June 30, 2014, respectively, compared to $0.18 and $0.05 per share for the three and six months ended June 30, 2013, respectively.

(Amounts in Millions, Except Per Share Amounts)

For the three and six months ended June 30, 2014, basic and diluted earnings per share included $0.01 and $0.02 per share, respectively, as a result of the loss on early extinguishment of debt.

Segment Results of Operations – Three and Six Months Ended June 30, 2014 Compared to Three and Six Months Ended June 30, 2013

As discussed in Note 11 to the unaudited Consolidated Financial Statements, we have two reportable segments as of June 30, 2014: IAN and CMG. We also report results for the "Corporate and other" group.

IAN

REVENUE

		Components of Change				Change	
	Three months ended June 30, 2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended June 30, 2014	Organic	Total
Consolidated	$ 1,435.7	$ (9.7)	$ 12.2	$ 57.8	$ 1,496.0	4.0%	4.2%
Domestic	779.4	0.0	2.3	20.2	801.9	2.6%	2.9%
International	656.3	(9.7)	9.9	37.6	694.1	5.7%	5.8%

During the second quarter of 2014, IAN revenue increased by $60.3 compared to the second quarter of 2013, due to an organic revenue increase of $57.8 and the effect of net acquisitions of $12.2, partially offset by an adverse foreign currency rate impact of $9.7. The organic revenue increase was primarily attributable to net higher spending from existing clients and net client wins in most client sectors, primarily in the health care and auto and transportation sectors, partially offset by a decline in the technology and telecom sector. The international organic revenue increase was driven by our media business and certain of our advertising agencies, most notably in the United Kingdom and in the Asia Pacific, Latin America, and Other regions, primarily due to the Middle East and Canada. Partially offsetting these increases was a decline in the Continental Europe region, due to a continued challenging economic climate. The organic increase in the domestic market was primarily driven by growth at our media business and at our digital specialist agencies partially offset by lower pass-through revenues at certain of our advertising agencies.

		Components of Change				Change	
	Six months ended June 30, 2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six months ended June 30, 2014	Organic	Total
Consolidated	$ 2,676.8	$ (31.2)	$ 23.6	$ 142.5	$ 2,811.7	5.3%	5.0%
Domestic	1,478.8	0.0	3.6	65.5	1,547.9	4.4%	4.7%
International	1,198.0	(31.2)	20.0	77.0	1,263.8	6.4%	5.5%

During the first half of 2014, IAN revenue increased by $134.9 compared to the first half of 2013, due to an organic revenue increase of $142.5 and the effect of net acquisitions of $23.6, partially offset by an adverse foreign currency rate impact of $31.2. The organic revenue increase in our international and domestic markets were primarily driven by factors similar to those noted above for the second quarter of 2014.

SEGMENT OPERATING INCOME

	Three months ended June 30,			Six months ended June 30,		
	2014	2013	Change	2014	2013	Change
Segment operating income	$ 184.0	$ 169.2	8.7%	$ 195.5	$ 146.6	33.4%
Operating margin	12.3%	11.8%		7.0%	5.5%	

Operating income increased during the second quarter of 2014 when compared to the second quarter of 2013, due to an increase in revenue of $60.3, partially offset by an increase in salaries and related expenses of $33.0 and office and general expenses of $12.5. The increase in salaries and related expenses was primarily due to an increase in base salaries, benefits and temporary help, primarily attributable to an increase in our workforce at businesses and in regions where we had revenue growth or new business wins. Also contributing to the increase was higher incentive award expense partially offset by lower severance expense. The organic increase in office and general expenses was primarily attributable to higher adjustments to contingent acquisition obligations as compared to the prior year. The organic increase was also attributable to increases in foreign currency adjustments and expenses

(Amounts in Millions, Except Per Share Amounts)

Table of Contents

for new business, partially offset by lower production expenses related to pass-through costs, which are also reflected in revenue, primarily in the domestic market.

Operating income increased during the first half of 2014 when compared to the first half of 2013, due to an increase in revenue of $134.9, partially offset by an increase in salaries and related expenses of $69.0 and office and general expenses of $17.0. The increase in salaries and related expenses and office and general expenses was primarily due to factors similar to those noted above for the second quarter of 2014. Also contributing to the increase in office and general expenses was increased spending due to increased pitch activity.

CMG

REVENUE

		Components of Change				Change	
	Three months ended June 30, 2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended June 30, 2014	Organic	Total
Consolidated	$ 320.5	$ 1.6	$ 8.1	$ 25.2	$ 355.4	7.9%	10.9%
Domestic	217.2	0.0	3.1	8.7	229.0	4.0%	5.4%
International	103.3	1.6	5.0	16.5	126.4	16.0%	22.4%

During the second quarter of 2014, CMG revenue increased by $34.9 compared to the second quarter of 2013, primarily due to an organic revenue increase of $25.2 and the effect of net acquisitions of $8.1. The international organic revenue increase was primarily attributable to an increase in our public relations and events marketing businesses, most notably in the United Kingdom. The domestic organic revenue increase was primarily attributable to growth in our public relations and sports marketing businesses, partially offset by decreases in our events marketing business due to the timing of completed projects in the prior-year.

		Components of Change				Change	
	Six months ended June 30, 2013	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six months ended June 30, 2014	Organic	Total
Consolidated	$ 622.4	$ 1.4	$ 10.9	$ 42.5	$ 677.2	6.8%	8.8%
Domestic	412.2	0.0	3.1	6.7	422.0	1.6%	2.4%
International	210.2	1.4	7.8	35.8	255.2	17.0%	21.4%

During the first half of 2014, CMG revenue increased by $54.8 compared to the first half of 2013, primarily due to an organic revenue increase of $42.5 and the effect of net acquisitions of $10.9. The organic revenue increase in our international markets was driven by factors similar to those noted above for the second quarter of 2014, as well as, organic revenue increases in the Asia Pacific region, most notably in China, and in the Latin America region, primarily in Brazil. The domestic organic revenue increase was driven by factors similar to those noted above for the second quarter of 2014.

Management's Discussion and Analysis of Financial Condition and Results of Operations - (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

SEGMENT OPERATING INCOME

	Three months ended June 30,			Six months ended June 30,		
	2014	2013	Change	2014	2013	Change
Segment operating income	$ 41.3	$ 34.6	19.4%	$ 58.8	$ 48.6	21.0%
Operating margin	11.6%	10.8%		8.7%	7.8%	

Operating income increased during the second quarter of 2014 when compared to the second quarter of 2013 due to an increase in revenue of $34.9, partially offset by an increase in salaries and related expenses of $18.0 and office and general expenses of $10.2. The increase in salaries and related expenses were primarily due to an increase in base salaries, benefits and temporary help, primarily attributable to increases in our workforce, most notably at our public relations business, to support business growth and new business wins. Office and general expenses increased primarily due to higher production expenses related to pass-through costs, which are also reflected in revenue, for certain projects where we acted as principal that increased in size or occurred during the second quarter of 2014, primarily in the United Kingdom, as well as higher occupancy costs.

Operating income increased during the first half of 2014 when compared to the first half of 2013 due to an increase in revenue of $54.8, partially offset by an increase in salaries and related expenses of $32.4 and office and general expenses of $12.2. The increase in salaries and related expenses was primarily due to an increase in base salaries, benefits and temporary help, primarily due to factors similar to those noted above for the second quarter of 2014. Office and general expenses increased primarily due to higher occupancy costs.

CORPORATE AND OTHER

Certain corporate and other charges are reported as a separate line item within total segment operating income (loss) and include corporate office expenses, as well as shared service center and certain other centrally managed expenses that are not fully allocated to operating divisions. Salaries and related expenses include salaries, long-term incentives, annual bonuses and other miscellaneous benefits for corporate office employees. Office and general expenses primarily include professional fees related to internal control compliance, financial statement audits and legal, information technology and other consulting services that are engaged and managed through the corporate office. In addition, office and general expenses also include rental expense and depreciation of leasehold improvements for properties occupied by corporate office employees. A portion of centrally managed expenses are allocated to operating divisions based on a formula that uses the planned revenues of each of the operating units. Amounts allocated also include specific charges for information technology-related projects, which are allocated based on utilization.

Corporate and other expenses increased during the second quarter of 2014 by $0.5 to $29.5 when compared to the second quarter of 2013, primarily due to an increase in office and general expenses. During the first half of 2014 corporate and other expenses increased by $7.4 to $70.2 when compared to the first half of 2013, primarily due to an increase in salaries and related expenses from higher base salaries, benefits and temporary help.

(Amounts in Millions, Except Per Share Amounts)

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW OVERVIEW

The following tables summarize key financial data relating to our liquidity, capital resources and uses of capital.

	Six months ended June 30,	
Cash Flow Data	**2014**	**2013**
Net income, adjusted to reconcile net income to net cash used in operating activities [1]	$ 218.3	$ 115.5
Net cash used in working capital [2]	(746.5)	(705.3)
Changes in other non-current assets and liabilities using cash	(29.0)	(1.6)
Net cash used in operating activities	$ (557.2)	$ (591.4)
Net cash used in investing activities	(99.1)	(82.4)
Net cash used in financing activities	(89.3)	(226.0)

[1] Reflects net income adjusted primarily for depreciation and amortization of fixed assets and intangible assets, amortization of restricted stock and other non-cash compensation and deferred income taxes.

[2] Reflects changes in accounts receivable, expenditures billable to clients, other current assets, accounts payable and accrued liabilities.

Operating Activities

Net cash used in operating activities during the first half of 2014 was $557.2, which was a decrease of $34.2 as compared to the first half of 2013. Due to the seasonality of our business, we typically generate cash from working capital in the second half of a year and use cash from working capital in the first half of a year, with the largest impacts in the first and fourth quarters. The working capital use in the first half of 2014 was primarily impacted by our media businesses.

The timing of media buying on behalf of our clients affects our working capital and operating cash flow. In most of our businesses, our agencies enter into commitments to pay production and media costs on behalf of clients. To the extent possible we pay production and media charges after we have received funds from our clients. The amounts involved substantially exceed our revenues, and primarily affect the level of accounts receivable, expenditures billable to clients, accounts payable and accrued liabilities. Our assets include both cash received and accounts receivable from clients for these pass-through arrangements, while our liabilities include amounts owed on behalf of clients to media and production suppliers.

Our accrued liabilities are also affected by the timing of certain other payments. For example, while annual cash incentive awards are accrued throughout the year, they are generally paid during the first quarter of the subsequent year.

Investing Activities

Net cash used in investing activities during the first half of 2014 primarily reflects payments for capital expenditures and acquisitions. Capital expenditures of $58.7 relate primarily to computer hardware and software, and leasehold improvements. We made payments of $50.8 primarily related to acquisitions completed in the first half of 2014.

Financing Activities

Net cash used in financing activities during the first half of 2014 is primarily related to the redemption of long-term debt, the repurchase of our common stock, and payment of dividends. During the second quarter of 2014, we redeemed all $350.0 in aggregate principal amount of the 6.25% Notes. In the first half of 2014, we repurchased 5.6 shares of our common stock for an aggregate cost of $97.3, including fees, and made dividend payments of $80.1 on our common stock. This was offset by the issuance of our $500.0 in aggregate principal amount of our 4.20% Notes. Amounts related to accrued and unpaid interest, as well as the discount for these transactions, are reflected in Operating Activities.

Foreign Exchange Rate Changes

The effect of foreign exchange rate changes on cash and cash equivalents included in the unaudited Consolidated Statements of Cash Flows resulted in a net increase of $3.9 during the first half of 2014. The increase was a result of the U.S. Dollar being weaker than several foreign currencies, including the Australian Dollar, Brazilian Real, British Pound and Japanese Yen, and by the U.S. Dollar being stronger than other foreign currencies, primarily the Canadian Dollar, as of June 30, 2014 as compared to December 31, 2013.

(Amounts in Millions, Except Per Share Amounts)

Balance Sheet Data	June 30, 2014	December 31, 2013	June 30, 2013
Cash, cash equivalents and marketable securities	$ 901.4	$ 1,642.1	$ 1,618.5
Short-term borrowings	$ 126.2	$ 179.1	$ 186.0
Current portion of long-term debt	2.4	353.6	594.8
Long-term debt	1,629.9	1,129.8	1,478.6
Total debt	$ 1,758.5	$ 1,662.5	$ 2,259.4

[1] Includes a portion of the cash from our November 2012 debt issuances of $800 aggregate principal amount of Senior Notes, which pre-funded our plan to redeem our 10.00% Senior Unsecured Notes due 2017.

LIQUIDITY OUTLOOK

We expect our cash flow from operations, cash and cash equivalents to be sufficient to meet our anticipated operating requirements at a minimum for the next twelve months. We also have a committed corporate credit facility as well as uncommitted facilities available to support our operating needs. We continue to maintain a disciplined approach to managing liquidity, with flexibility over significant uses of cash, including our capital expenditures, cash used for new acquisitions, our common stock repurchase program and our common stock dividends.

From time to time, we evaluate market conditions and financing alternatives for opportunities to raise additional funds or otherwise improve our liquidity profile, enhance our financial flexibility and manage market risk. Our ability to access the capital markets depends on a number of factors, which include those specific to us, such as our credit rating, and those related to the financial markets, such as the amount or terms of available credit. There can be no guarantee that we would be able to access new sources of liquidity on commercially reasonable terms, or at all.

Funding Requirements

Our most significant funding requirements include our operations, non-cancelable operating lease obligations, capital expenditures, acquisitions, common stock dividends, taxes, debt service and contributions to pension and postretirement plans. Additionally, we may be required to make payments to minority shareholders in certain subsidiaries if they exercise their options to sell us their equity interests.

Notable funding requirements include:

- Debt service – During the second quarter, we issued $500.0 in aggregate principal amount of the 4.20% Notes at a discount and redeemed all $350.0 in aggregate principal amount of the 6.25% Notes. The majority of the net proceeds of the 4.20% Notes were used toward the redemption of the 6.25% Notes. The majority of our debt is primarily long-term, with maturities scheduled through 2031.

- Acquisitions – We paid cash of $50.4, which was net of cash acquired of $13.3, for acquisitions completed in the first half of 2014. We also paid cash of $9.1 in deferred payments for prior-year acquisitions as well as ownership increases in our consolidated subsidiaries. In addition to potential cash expenditures for new acquisitions, we expect to pay approximately $5.0 for the remainder of 2014 related to prior acquisitions. We may also be required to pay approximately $20.0 related to put options held by minority shareholders if exercised during 2014. We will continue to evaluate strategic opportunities to grow and continue to strengthen our market position, particularly in our digital and marketing services offerings, and to expand our presence in high-growth and key strategic world markets.

- Dividends – In the first half of 2014, we paid two quarterly cash dividends of $0.095 per share on our common stock, which corresponded to an aggregate dividend payment of $80.1. Assuming we continue to pay a quarterly dividend of $0.095 per share and there is no significant change in the number of outstanding shares as of June 30, 2014, we would expect to pay approximately $80.0 in the second half of 2014.

- Restructuring – In the first half of 2014, we paid cash of approximately $38.0 in connection with restructuring actions. We expect to pay approximately $6.0 in the second half of 2014, with cash payments expected to be made through 2017.

- Contributions to pension plans – Our funding policy regarding our pension plans is to make contributions necessary to satisfy minimum pension funding requirements, plus such additional contributions as we consider appropriate to improve the plans' funded status. During the six months ended June 30, 2014, we contributed $1.5 and $12.6 of cash to our domestic and foreign pension plans, respectively. We expect to contribute approximately $1.0 and $12.0 of cash to our domestic and foreign pension plans, respectively, in the second half of 2014.

(Amounts in Millions, Except Per Share Amounts)

Share Repurchase Program

In February 2014, our Board of Directors authorized a new share repurchase program to repurchase from time to time up to $300.0, excluding fees, of our common stock. As of June 30, 2014, $321.3 remained available for repurchase under existing share repurchase programs. There is no expiration date associated with share repurchase programs. We may effect such repurchases through open market purchases, trading plans established in accordance with SEC rules, derivative transactions or other means. We expect to continue to repurchase our common stock in future periods, although the timing and amount of the repurchases will depend on market conditions and other funding requirements.

FINANCING AND SOURCES OF FUNDS

Substantially all of our operating cash flow is generated by our agencies. Our cash balances are held in numerous jurisdictions throughout the world, including at the holding company level. Below is a summary of our sources of liquidity.

	June 30, 2014			
	Total Facility	Amount Outstanding	Letters of Credit [1]	Total Available
Cash, cash equivalents and marketable securities				$ 901.4
Committed credit agreement	$ 1,000.0	$ 0.0	$ 14.9	$ 985.1
Uncommitted credit arrangements	$ 738.9	$ 126.2	$ 4.1	$ 608.6

[1] We are required from time to time to post letters of credit, primarily to support obligations of our subsidiaries. These letters of credit have historically not been drawn upon.

Credit Agreements

We maintain a committed corporate credit facility to increase our financial flexibility (the "Credit Agreement"). The Credit Agreement is a revolving facility, expiring in December 2018, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of $1,000 or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to $250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit on letters of credit of $200.0 or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured.

We were in compliance with all of our covenants in the Credit Agreement as of June 30, 2014. The financial covenants in the Credit Agreement require that we maintain, as of the end of each fiscal quarter, certain financial measures for the four quarters then ended. The table below sets forth the financial covenants in effect as of June 30, 2014.

Financial Covenants	Four Quarters Ended June 30, 2014	EBITDA Reconciliation	Four Quarters Ended June 30, 2014
Interest coverage ratio (not less than)	5.00x	Operating income	$ 650.0
Actual interest coverage ratio	12.65x	Add:	
		Depreciation and amortization	205.5
Leverage ratio (not greater than)	3.25x	Other non-cash amounts	1.2
Actual leverage ratio	2.05x	EBITDA [1]	$ 856.7

[1] EBITDA is calculated as defined in the Credit Agreement.

We also have uncommitted credit arrangements with various banks that permit borrowings at variable interest rates. As of June 30, 2014, there were borrowings under some of the uncommitted facilities to manage working capital needs. We have guaranteed the repayment of some of these borrowings made by certain subsidiaries. If we lose access to these credit lines, we would have to provide funding directly to some of our international operations. As of June 30, 2014, the weighted-average interest rate on outstanding balances under the uncommitted credit arrangements was approximately 5%.

(Amounts in Millions, Except Per Share Amounts)

Cash Pooling

We aggregate our domestic cash position on a daily basis. Outside the United States we use cash pooling arrangements with banks to help manage our liquidity requirements. In these pooling arrangements, several IPG agencies agree with a single bank that the cash balances of any of the agencies with the bank will be subject to a full right of set-off against amounts the other agencies owe the bank, and the bank provides for overdrafts as long as the net balance for all the agencies does not exceed an agreed-upon level. Typically, each agency pays interest on outstanding overdrafts and receives interest on cash balances. Our unaudited Consolidated Balance Sheets reflect cash, net of bank overdrafts, under all of our pooling arrangements, and as of June 30, 2014, the amount netted was $1,634.2.

DEBT CREDIT RATINGS

Our long-term debt credit ratings as of July 15, 2014 are listed below.

	Moody’s Investor Service	Standard and Poor’s	Fitch Ratings
Rating	Baa3	BB+	BBB
Outlook	Stable	Stable	Stable

We are investment-grade rated by both Moody's Investor Services and Fitch Ratings. The most recent update to our credit ratings occurred in February 2013 when Standard and Poor's changed our outlook from positive to stable. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning credit rating agency. The rating of each credit rating agency should be evaluated independently of any other rating. Credit ratings could have an impact on liquidity, either adverse or favorable, including, among other things, because they could affect funding costs in the capital markets or otherwise. For example, our Credit Agreement fees and borrowing rates are based on a credit ratings grid.

CRITICAL ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2013, included in our 2013 Annual Report on Form 10-K. As summarized in Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, in our Annual Report, we believe that certain of these policies are critical because they are important to the presentation of our financial condition and results of operations, and they require management’s most difficult, subjective or complex judgments, often as a result of the need to estimate the effect of matters that are inherently uncertain. These critical estimates relate to revenue recognition, income taxes, goodwill and other intangible assets, and pension and postretirement benefits. We base our estimates on historical experience and various other factors that we believe to be relevant under the circumstances. Estimation methodologies are applied consistently from year to year, and there have been no significant changes in the application of critical accounting estimates since December 31, 2013. Actual results may differ from these estimates under different assumptions or conditions.

RECENT ACCOUNTING STANDARDS

See Note 14 to the unaudited Consolidated Financial Statements for further information on certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

In the normal course of business, we are exposed to market risks related to interest rates, foreign currency rates and certain balance sheet items. There has been no significant change in our exposure to market risk during the first half of 2014. Our exposure to market risk for changes in interest rates primarily relates to the fair market value and cash flows of our debt obligations. As of June 30, 2014, and December 31, 2013, approximately 88% and 84%, respectively, of our debt obligations bore fixed interest rates. We have, from time to time, used interest rate swaps for risk management purposes to manage our exposure to changes in interest rates. We do not have any interest rate swaps outstanding as of June 30, 2014. For a further discussion of our exposure to market risk, refer to Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, in our 2013 Annual Report on Form 10-K.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of June 30, 2014, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Changes in Internal Control Over Financial Reporting

There has been no change in internal control over financial reporting in the quarter ended June 30, 2014, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings*

Information about our legal proceedings is set forth in Note 13 to the unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 1A. *Risk Factors*

In the second quarter of 2014, there have been no material changes in the risk factors we have previously disclosed in Item 1A, *Risk Factors*, in our 2013 Annual Report on Form 10-K.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

(c) The following table provides information regarding our purchases of our equity securities during the period from April 1, 2014 to June 30, 2014:

	Total Number of Shares (or Units) Purchased [1]	Average Price Paid per Share (or Unit) [2]	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [3]	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs [3]
April 1 - 30	1,270,940	$ 16.81	1,270,100	$ 352,387,628
May 1 - 31	850,000	$ 17.69	850,000	$ 337,352,388
June 1 - 30	824,899	$ 19.43	824,640	$ 321,330,728
Total	2,945,839	$ 17.80	2,944,740	

[1] Includes shares of our common stock, par value $0.10 per share, withheld under the terms of grants under employee stock-based compensation plans to offset tax withholding obligations that arose upon vesting and release of restricted shares (the “Withheld Shares”). We purchased 840 Withheld Shares in April 2014, no Withheld Shares in May 2014 and 259 Withheld Shares in June 2014, for a total of 1,099 Withheld Shares during the three month period.

[2] The average price per share for each of the months in the fiscal quarter and for the three month period was calculated by dividing (a) the sum for the applicable period of the aggregate value of the tax withholding obligations and the aggregate amount we paid for shares acquired under our stock repurchase program, described in Note 5 to the unaudited Consolidated Financial Statements by (b) the sum of the number of Withheld Shares and the number of shares acquired in our stock repurchase program.

[3] On February 14, 2014, we announced that our Board of Directors had approved a new share repurchase program to repurchase from time to time up to $300.0 million of our common stock, in addition to amounts available on existing authorizations. There is no expiration date associated with the share repurchase programs.

Item 6. *Exhibits*

All exhibits required pursuant to Item 601 of Regulation S-K to be filed as part of this report or incorporated herein by reference to other documents, are listed in the Index to Exhibits that immediately precedes the exhibits filed with this Report on Form 10-Q and the exhibits transmitted to the Securities and Exchange Commission as part of the electronic filing of this report.

Table of Contents

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.

By /s/ *Michael I. Roth*

Michael I. Roth
Chairman and Chief Executive Officer

Date: July 24, 2014

By /s/ *Christopher F. Carroll*

Christopher F. Carroll
Senior Vice President, Controller and
Chief Accounting Officer
(Principal Accounting Officer)

Date: July 24, 2014

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
4.1	Senior Debt Indenture between The Interpublic Group of Companies, Inc. (the "Company") and U.S. Bank National Association, as Trustee ("US Bank"), dated as of March 2, 2012, is incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "SEC") on March 2, 2012.
4.2	Fourth Supplemental Indenture between the Company and US Bank, as Trustee, dated as of April 3, 2014, is incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on April 3, 2014.
10(iii)(A)(1)	The Interpublic Capital Accumulation Plan, amended and restated, effective August 1, 2014, and form of Participation Agreement for New Participants.
10(iii)(A)(2)	The Interpublic Senior Executive Retirement Income Plan, amended and restated, effective August 1, 2014, and form of Participation Agreement for New Participants.
10(iii)(A)(3)	Interpublic Executive Severance Plan, amended and restated, effective August 1, 2014.
10(iii)(A)(4)	The Interpublic Group 2014 Performance Incentive Plan is incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 28, 2014.
10(iii)(A)(5)	The Interpublic Group Executive Performance (162(m)) Plan is incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 28, 2014.
12.1	Computation of Ratios of Earnings to Fixed Charges.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and the Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended.
101	Interactive Data File, for the period ended June 30, 2014.

FORM FOR NEW PARTICIPANTS
Note: This form should not be used for benefit increases.

Received by HR ____________________

The Interpublic Capital Accumulation Plan

Participation Agreement

WHEREAS, _______________________________ (the "Participant") is a key executive of The Interpublic Group of Companies, Inc. ("Interpublic") and its subsidiaries, and has been approved by Interpublic's Management Human Resources Committee to participate in The Interpublic Capital Accumulation Plan ("CAP");

WHEREAS, the Participant has received and reviewed the pamphlet entitled "The Interpublic Capital Accumulation Plan," as amended and restated effective August 1, 2014, which sets forth the basic terms and conditions of CAP (such pamphlet, as in effect and amended from time to time, being referred to herein as the "Plan Document"); and

WHEREAS, the Plan Document provides that certain details with regard to the Participant's account and other rights and responsibilities under CAP are to be set forth in the Participant's Participation Agreement;

NOW, THEREFORE, the undersigned Participant agrees to be bound by the terms of the Plan Document, which terms are incorporated herein by reference, and modified and expanded as follows:

1. Effective Date. This Participation Agreement shall be effective as of __________; provided, however, that if the Participant does not execute the Participation Agreement and return it to Interpublic's Human Resources Department by _______________ ***[insert the 30th day after he first became eligible to participate in CAP]***, this Participation Agreement shall not be effective until the next January 1st after ***[he] [she]*** returns the executed Participation Agreement to Interpublic's Human Resources Department.

2. Credit Amount.

   - Subject to execution and return of this Participant Agreement by the deadline set forth above, the Participant's dollar credit under CAP for calendar year __________ ***[insert year in which Participation Agreement first becomes effective]*** shall be $____________ ***[insert amount of prorated credit]***.

   - The Participant's annual dollar credit under CAP for each full calendar year that starts after ***[he] [she]*** returns an executed copy of this Participation Agreement to Interpublic's Human Resources Department shall be $_____________.

   Dollar credits shall be credited to the Participant's CAP Account only at the time, and under the circumstances, specified by the Plan Document.

3. Interest. The Participant's CAP Account shall be credited with interest on December 31st of each

calendar year, starting with the first calendar year that starts after the first dollar credit is added to the Participant's CAP Account, at the rate specified by the Plan Document. For 2014, the interest rate is 3.04%.

4. Vesting. Subject to paragraphs 5, 6, and 7, below, and the provisions of the Plan Document that are triggered by a Change of Control (as defined in the Plan Document), the Participant's CAP account is scheduled to become fully vested on the following date (assuming the Participant continues in the employment of Interpublic and its Subsidiaries until such date):

- If the Participant returns an executed copy of this Participation Agreement to Interpublic's Human Resources Department by ________________ ***[insert 30th day after he first became eligible to participate in CAP]***, the scheduled vesting date will be ________________ ***[insert the third anniversary of effective date]***.

- If the Participant does not return an executed copy of this Participation Agreement to Interpublic's Human Resources Department by the date specified in the preceding paragraph, the scheduled vesting date will be December 31st of the third calendar year that starts after the Participant returns an executed copy of this Participation Agreement to Interpublic's Human Resources Department.

5. Release. The Participant's right to receive any payments under CAP is conditioned on executing the release described in the Plan Document by the deadline set forth therein, and not revoking such release. If the Participant fails to execute such release by the applicable deadline, or the Participant revokes such release, ***[he] [she]*** shall forfeit ***[his] [her]*** the entire balance of ***[his] [her]*** CAP account and return the interest portion of any payments previously received under CAP.

6. Termination for Cause. If the Participant's employment with Interpublic and its Subsidiaries is terminated for Cause (as defined in the Plan Document), ***[he] [she]*** shall forfeit ***[his] [her]*** entire account balance.

7. Non-Competition, Non-Solicitation and Prohibited Activities. For a period of two (2) years following the termination of the Participant's employment for any reason, the Participant shall not: (a) accept employment with or serve as a consultant, advisor or in any other capacity to an employer that is in competition with the business unit or units of Interpublic by which the Participant is employed (the "Business Unit"); (b) directly or indirectly, either on the Participant's own behalf or on behalf of any other person, firm or corporation, solicit or perform services for any Client (as defined below); (c) directly or indirectly employ or attempt to employ or assist anyone else to employ any person who is at such time or who was within the six-month period immediately prior to such time in the employ of the Business Unit; or (d) engage in a Prohibited Activity (as defined below).

"Client" includes any person (including a company or other entity) that, as of the date of the Participant's termination of employment or at any time during the two-year period ending with the Participant's termination of employment, is or was (i) a client of the Participant's Business Unit or (ii) a prospective client with whom the Participant had direct contact.

"Prohibited Activity" includes: (i) any activity that would give rise to termination for Cause (as defined in the Plan Document); (ii) a material violation of any rule, policy or procedure of Interpublic or the Participant's Business Unit, including but not limited to the Code of Conduct of Interpublic and any such Business Unit; or (iii) any other conduct or act that Interpublic's

Management Human Resources Committee (“MHRC”) or the Compensation and Leadership Talent Committee of Interpublic’s Board of Directors (the “Compensation Committee”) determines is injurious, detrimental, or prejudicial to any interest of Interpublic.

If the Participant breaches any provision of this paragraph 7, ***[he] [she]*** shall forfeit all of the interest that has been or will be credited to ***[his] [her]*** CAP account. The Participant acknowledges that these provisions are reasonable and necessary to protect Interpublic’s legitimate business interests, and that these provisions do not prevent the Participant from earning a living. If at the time of enforcement of any provision of this Agreement, a court shall hold that the duration, scope, or area restriction of any provision hereof is unreasonable under circumstances now or then existing, the parties hereto agree that the maximum duration, scope, or area reasonable under the circumstances shall be substituted by the court for the stated duration, scope, or area.

8. Time and Form of Payment. The Participant’s vested benefit under CAP (if any) shall be paid in a lump sum at the time prescribed by the Plan Document. The Participant may not change the form in which ***[his] [her]*** benefit under CAP will be paid, except to the extent (if at all) that the Plan Document permits the Participant to make such a change.

9. Relationship to Plan Document. This Participation Agreement is intended to be executed and administered in conjunction with the Plan Document, which is incorporated herein by reference. To the extent that this Participation Agreement does not address an issue, the applicable terms and provisions of the Plan Document shall govern such issue. To the extent that any term or provision of this Participation Agreement is inconsistent with a term or provision of the Plan Document, the term or provision of this Participation Agreement shall govern.

10. Complete Statement and Amendment. This Participation Agreement is a complete statement of the Participant’s benefit and other rights under CAP. The terms of this Participation Agreement may be amended at any time to the extent permitted by the Plan Document.

11. Knowing and Voluntary Agreement. By signing this Participation Agreement, the Participant acknowledges that —

- ***[he] [she]*** has received and reviewed the Plan Document and this Participation Agreement,
- ***[he] [she]*** fully understands the terms of the Plan Document and this Participation Agreement, and
- ***[he] [she]*** is entering into this Participation Agreement voluntarily.

* * *

IN WITNESS WHEREOF, Interpublic, by its duly authorized officer, and the Participant have caused this Participation Agreement to be executed.

The Interpublic Group of Companies, Inc.	**Participant**
BY: ________________________________	________________________________
Ken Lareau Vice President, Global Compensation	
DATE: ________________________________	DATE: ________________________________

Return to Interpublic's Human Resources Department.

For HR Use Only

Effective Date: ________________

Vesting Date: ________________

First Dollar Credit: $______________, to be credited on December 31, ________

First Interest Credit: To be credited on December 31, _______

BENEFICIARY DESIGNATION: Capital Accumulation Plan

Participant's Name____ **Soc. Sec. No:** _____________________________

Home Address ____

City____ **State** ____________________________**Zip**________________

Date of Birth ____________________________

Daytime Telephone Number __________________________ **Evening Telephone Number** ___________________________

q ***Please check box if your address has changed within the last year***. q **I am married.** q **I am not married.**

<u>Primary Beneficiary Designation</u>

I hereby designate such of the following person(s) who shall survive me as my Primary Beneficiary(ies):

1.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
2.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
3.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
				Total = 100%

<u>Contingent Beneficiary Designation</u>

If no Primary Beneficiary named above shall survive me, I designate such of the following person(s) who shall survive me as my Contingent Beneficiary(ies).

1.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
2.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
3.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
				Total = 100%

*If no percentage is designated, beneficiaries will share equally. If any of my Primary Beneficiaries (or, if applicable, my Contingent Beneficiaries), predecease me, his or her benefits will be shared among my surviving Primary (or, if applicable, Contingent) Beneficiaries in accordance with the proportionate shares of the surviving beneficiaries designated above or, if no percentage is designated, equally.

<u>Consent of Spouse</u>

If a party other than the participant's spouse is named as Primary Beneficiary above, this designation is valid only if the participant's spouse (if any) consents below to the participant's designation of the Primary Beneficiary(ies) and only if the spouse's consent is witnessed by a notary public.

I, ____________________________________, am the spouse of the above-named participant. I hereby consent to the designation of the Primary Beneficiary(ies) specified above.

____ _______________________

Spouse's Signature Date

STATE OF __________________ COUNTY OF: ________________ ss:

On ____________________________, before me personally came ___________________________________; to me known and known to me to be the individual described as the spouse herein who executed the foregoing consent and duly acknowledged to me that he/she freely executed same.

____

Notary Public My Commission Expires:

<u>Execution of Beneficiary Designation</u>

____ ____

Participant's Signature Date

Exhibit 10(iii)(A)(1)

THE INTERPUBLIC CAPITAL ACCUMULATION PLAN

Amended and Restated
Effective August 1, 2014

TABLE OF CONTENTS

As required by Treasury Department Circular 230, we inform you that (1) any statement regarding federal tax law contained in this pamphlet is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on you by the Internal Revenue Service, (2) any such statement was written to support the promotion or marketing of the Plan, and (3) you should seek tax advice based on your individual circumstances from an independent tax advisor.

INTRODUCTION AND PLAN HIGHLIGHTS

This pamphlet sets forth the basic terms of The Interpublic Capital Accumulation Plan, as amended and restated effective August 1, 2014. Capitalized terms used in this pamphlet are defined in the Glossary of Key Terms, at the end of the pamphlet.

The Plan is sponsored by Interpublic and has been in effect since August 2003. Your rights and responsibilities under the Plan are also governed by your Participation Agreement with Interpublic. Your Participation Agreement incorporates this pamphlet by reference — which means that this pamphlet is part of your Participation Agreement.

The Plan is unfunded and is designed primarily to provide deferred compensation for a select group of senior management employees of Interpublic and its Subsidiaries. The Plan is excepted from most of the requirements of ERISA.

The benefits provided under the Plan are offered to secure your goodwill, loyalty, and achievement, as well as to attract and retain other executives of outstanding competence. The Plan does not, however, give you the right to continue in the employ of Interpublic or its Subsidiaries, or to receive annual compensation of any particular amount.

Key features of the Plan include the following:

- Eligibility to participate in the Plan must be approved by the MHRC. (See “Eligibility and Effective Date of Participation Agreement.”)
- Your benefit under the Plan is expressed as an account balance — the total of all of the dollar amounts that have been entered in a bookkeeping account maintained for you under the Plan *reduced by* any previous distributions to you under the Plan and also *reduced by* any amounts that you have forfeited under the Plan.
- Each year, as long as your Participation Agreement remains in effect, a dollar credit will be added to your account. The amount of the dollar credit is set forth in your Participation Agreement. In general, the dollar credit amount will be added to your account for a year only if you are an active employee participating in the Plan on December 31st of that year. However, special rules apply if your employment is terminated involuntarily without Cause or you resign for Good Reason. In addition, interest will be added to your account each December 31st. (See “Your Benefit.”)
- You may forfeit (or lose) your account balance under the Plan before you become vested. Subject to special rules that apply after a Change of Control, you vest in your account balance after you have participated in the Plan for three years. However, even after you vest, you will forfeit the interest that has been added to your account if you violate any restrictive covenant under your Participation Agreement; and additional forfeiture rules apply if your employment is terminated for Cause or you do not execute a required release. (See “Vesting and Forfeiture.”)
- In general, Interpublic will pay (or begin to pay, if you are receiving monthly installments) your vested benefit under the Plan during the first month that starts on or after the second anniversary of your Termination of Employment. (See “When Payments Start.”) However, special rules apply (a) if you terminate employment at age 66 or older, (b) if you die before payments start, and (c) in the event of a Change of Control. (See “When Payments Start,” “Death Benefits” and “Change of Control.”)

- If your participation was approved on or after August 1, 2014 your vested benefit under the Plan will be paid in a lump sum. If your participation was approved before August 1, 2014, your vested benefit will be paid in the form specified in your Participation Agreement (generally a lump sum or monthly installments over 10 or 15 years). In any event, if your employment terminates before you reach age 55 or before you complete five years of participation in the Plan, your vested benefit will automatically be paid in a lump sum. (See “Form of Payment.”) Also, special rules apply after a Change of Control. (See “Change of Control.”)

- The Plan is not funded. This means that the promise to pay benefits under the Plan is not backed up by a trust fund or by any other dedicated assets and that, as a Plan participant, you are a general unsecured creditor of Interpublic. Although special rules apply in the event of a Change of Control, those rules do not change your status as a general unsecured creditor. (See “Change of Control” and “Nature of Your Account Balance and Plan Assets.”)

- Your benefits under the Plan are in addition to, and independent of, any benefits to which you may be entitled under other benefit plans sponsored by Interpublic.

ELIGIBILITY AND EFFECTIVE DATE OF PARTICIPATION AGREEMENT

The Plan is designed to benefit key executives of Interpublic and its Subsidiaries. You are eligible to participate in the Plan only if your participation is approved by the MHRC.

If you are eligible to participate in the Plan, you will become a participant after you execute your Participation Agreement. Your Participation Agreement and any amendment to your Participation Agreement will become effective on the date set forth in your Participation Agreement or amendment.

Your effective date is conditioned on returning your signed Participation Agreement to Interpublic by the deadline specified in your Participation Agreement. If you miss the specified deadline, your Participation Agreement will not be effective until the next January 1st after you return your signed Participation Agreement.

Different rules applied if your participation was approved before August 1, 2014.

YOUR BENEFIT

Your benefit under the Plan is expressed as an account balance.

- On December 31st of each year (starting with the year in which your Participation Agreement becomes effective), if you are actively employed by Interpublic or a Subsidiary (and your participation in the Plan has not ended), the amount of the annual dollar credit set forth in your Participation Agreement will be added to your account. If your Participation Agreement becomes effective on a date other than January 1st, the dollar credit amount for your first year of participation will be pro-rated. The applicable dollar credit for a year will be added to your account only if you are an active employee participating in the Plan on December 31st of that year.

- If (a) your employment with Interpublic and its Subsidiaries is terminated involuntarily without Cause or (b) you resign from employment with Interpublic and its Subsidiaries for Good Reason, an additional amount will be added to your account as of December 31st of the year in which your Termination of Employment occurs. The additional amount will equal the sum of the dollar credits that would have been added to your account on each December 31st after your Termination of Employment if you had continued working for Interpublic (as an active participant in the Plan) through your Severance Completion Date. (Unless your Severance Completion Date occurs on December 31st, you will not receive a dollar credit for the year in which your Severance Completion Date occurs.)

Your account will also be credited with interest on December 31st of each year until your vested account balance is paid in full. The amount of interest added to your account on each December 31st will be based on your account balance on that date, excluding the amount of any dollar credit that is added to your account on the same date.

- Effective for calendar years after 2005, the interest rate is the 10-year U.S. Treasury yield curve annual rate (also known as the “constant maturity rate”) as of the last business day of the immediately preceding calendar year, as published by the U.S. Department of Treasury’s Office of Debt Management.

- For calendar years before 2006, the interest rate was set annually by the MHRC.

Unless the last payment of your vested account balance happens to be made on December 31st, interest will not be added to your account in the year the last payment is made.

EXAMPLE. Suppose you sign a Participation Agreement specifying an annual dollar credit of $25,000, effective July 1, 2014, and the Plan's annual interest rate is 2%.

- On December 31, 2014, $12,500 (1/2 of $25,000, because you participated in the Plan for only 1/2 of the year) would be added to your account. Your account balance as of January 1, 2015 would be $12,500.
- On December 31, 2015, your account would be credited with $250 (2% of $12,500) in interest, and a dollar credit of $25,000 would be added to your account. Your account balance as of January 1, 2016 would be $37,750 ($12,500 + $250 + $25,000).

If your Participation Agreement remains in effect and is not amended, annual dollar credits and interest will be added to your account each December 31st if you are still an active employee participating in the Plan on that December 31st. After you terminate employment, your account will be credited with interest on each December 31st until your vested account balance is paid in full. (As explained above, your account will not be credited with interest for the year in which the last payment is made, unless the last payment is made on December 31st.)

Your account balance is subject to forfeiture until it becomes fully vested. The vesting rules are described under "Vesting and Forfeiture," below. Also, special rules apply after a Change of Control. (See "Change of Control," below.)

BENEFIT INCREASES AND DECREASES

The amount of your annual dollar credit under the Plan may be increased or decreased (including to zero) from time to time. Any change in the amount of the annual dollar credit will be set forth in an amendment to your Participation Agreement or in a new Participation Agreement. Except during the three-year period following a Change of Control, your consent is not required for any change to your dollar credit for periods after the change is made.

VESTING AND FORFEITURE

GENERAL RULE

In general, you will vest in your account balance after you have participated in the Plan for three years.

- If (a) your employment with Interpublic and its Subsidiaries is terminated involuntarily without Cause or (b) you resign from employment with Interpublic and its Subsidiaries for Good Reason, you will receive service credit as if you had participated in the Plan through your Severance Completion Date.

  For example, if your employment with Interpublic is terminated involuntarily without Cause after you participated in the Plan for two years, and you are eligible to receive Severance Pay in installments for 12 months after your Termination of Employment, you will have three years of service credit (2 years of active participation plus one year of severance). As a result, your account would be fully vested.
- Participation in any predecessor plan, including an ESBA, will *not* count toward the three years of participation required for vesting.
- Special rules apply after a Change of Control. (See "Change of Control," below.)

RELEASE

Effective August 1, 2014, to receive a benefit under the Plan, you must execute a release that is acceptable to Interpublic no later than 45 days after your Termination Date, and you must not revoke the release. Sample release language appears at Exhibit A. If you do not sign the release by the deadline (or you revoke the release) your benefit under the Plan will be forfeited, even if you previously satisfied the vesting conditions.

The release requirement does not apply if your participation in the Plan was approved before August 1, 2014.

FORFEITURE

You will forfeit (or lose) any portion of your benefit that is not vested upon your Termination of Employment (determined as if you had continued working for Interpublic, as an active participant in the Plan, through your Severance Completion Date). Any unvested account balance and years of participation that accrued before your Termination of Employment will not be reinstated, even if you are rehired. In addition:

- You will forfeit all of the interest that has been or will be credited to your account if you violate a restrictive covenant set forth in your Participation Agreement. Effective August 1, 2014, the restrictive covenants generally prohibit competition, solicitation of certain current, former, and prospective clients and employees, and any other Prohibited Activity (as defined in your Participation Agreement).
- Effective August 1, 2014, you will forfeit your entire benefit if your employment is terminated for Cause or you fail to execute (or you revoke) the release described above. (The release is not required if your participation in the Plan was approved before August 1, 2014.)

PAYMENTS UNDER THE PLAN

WHEN PAYMENTS START

Subject to special rules that apply after a Change of Control (see “Change of Control,” below), Interpublic will start paying your vested benefit during the first month that starts on or after the second anniversary of your Termination of Employment.

However, the two-year wait will not apply if your participation in the Plan was approved on or after August 1, 2014, and you terminate employment at age 66 or older. In that case, Interpublic will pay your vested benefit, if any, as of the first day of the later of (a) the seventh month that starts after your Termination of Employment or (b) the first month that starts on or after your 68th birthday.

For example, if your employment with Interpublic and its Subsidiaries terminates on June 15, 2015, before you reach age 66, Interpublic would make the first payment in July 2017.

EXAMPLE. Suppose your Participation Agreement provides for an annual dollar credit of $25,000 and the Plan's annual interest rate is 2%. If your employment is terminated involuntarily without Cause on June 15, 2015, before you reach age 66 but after your account is fully vested, and you are eligible to receive Severance Pay in installments for 12 months after your Termination of Employment —

- Your Severance Completion Date would be on or about June 15, 2016. Accordingly, as of December 31, 2015, $25,000 (the dollar amount that would have been added to your account on December 31, 2015, if you had continued working, as an active participant in the Plan, through your Severance Completion Date) will be added to your account.
- On December 31, 2015, your account (excluding the $25,000 added on December 31, 2015) would be credited with interest in an amount equal to 2% of your account balance as of December 31, 2015.
- On December 31, 2016, your account would be credited with interest in an amount equal to 2% of your account balance as of December 31, 2016.
- In July 2017, Interpublic would pay your benefit. The amount paid to you would be your vested account balance as of December 31, 2016. You would not receive interest for the period from December 31, 2016 until your account balance is paid to you.

FORM OF PAYMENT

If your participation in the Plan was approved on or after August 1, 2014, Interpublic will pay your benefit in a lump sum.

If your participation was approved before August 1, 2014, Interpublic will pay your benefit in the form specified in your Participation Agreement (generally a lump sum or monthly installments over 10 or 15 years). However, if your employment terminates before age 55, or before you have completed at least five years of participation in the Plan, Interpublic will automatically pay your benefit in a lump sum, regardless of the form specified in your Participation Agreement.

If your benefit is paid in installments, the amount to be paid each year will be determined by dividing your vested account balance (determined as of the date when payments begin and, in succeeding years, as of the anniversary of that date) by the remaining number of annual installments. The amount of each monthly installment in a year will be $^1/_{12}{}^{th}$ of the amount to be paid in that year.

As installments are being paid, the unpaid portion of your vested account will continue to earn interest on December 31st of each year, at the Plan's interest rate.

EXAMPLE. Suppose your vested account balance is $500,000, your benefit is to be paid in installments over 10 years, and the Plan's annual interest rate is 2%.

- In Year #1, you would receive $50,000, in monthly payments of $4,166.67 each.

  Annual Amount = $500,000/10 = $50,000

  Monthly Amount = $50,000/12 = $4,166.67

- At the end of Year #1, your vested account balance would be $450,000 and $9,000 in interest would be added to your account.

  $500,000 - $50,000 = $450,000

  2% of $450,000 = $9,000

  New Balance = $450,000 + $9,000 = $459,000

- In Year #2, when 9 annual payments remain, you would receive $51,000, in monthly payments of $4,250.00 each.

  Annual Amount = $459,000/9 = $51,000

  Monthly Amount = $51,000/12 = $4,250

Payments would continue, and interest would continue to be credited, according to the process described above, until your vested account balance is paid in full. Your final installment payment would include interest credited to your account on the last December 31st before the final installment is paid. (As explained above, you would not receive interest for the period from that December 31st until the last installment is paid.)

The Plan does not allow you to change the form in which your vested benefit will be paid.

DISABILITY

If you become disabled while employed, you will continue to earn dollar credits and to accumulate years of Plan participation until your Termination of Employment, and interest credits will continue to be added each year until your vested account balance is paid in full. Payments will start after your Termination of Employment in accordance with the payment timing rules described in this pamphlet. (See "Payments Under the Plan," above.)

The date of your Termination of Employment will be determined in accordance with the Plan's definition of "Termination of Employment."

DEATH BENEFITS

AMOUNT, FORM, AND TIME OF DEATH BENEFIT

If you die before your vested account balance is paid in full, a beneficiary (or beneficiaries) whom you select will be entitled to receive your remaining vested account balance in a lump sum. Interpublic will pay the lump sum within 90 days after your death.

DESIGNATING YOUR BENEFICIARY

You may designate one or more primary beneficiaries to receive your vested account balance after your death. You may also designate one or more contingent beneficiaries, who would receive any remaining vested account balance if all of your primary beneficiaries die before all payments have been made. You may change your beneficiaries at any time before your death by filing a new beneficiary designation form with Interpublic's Human Resources Department.

If you are married on the date of your death, your beneficiary will be your spouse, unless you specify a different beneficiary. You may not designate a beneficiary other than your spouse, however, without your spouse's written consent.

In the absence of an effective beneficiary designation (or if none of your primary or contingent beneficiaries are living), your vested account balance (if any) will be distributed, in the form set forth above, to the first of the following to survive you:

- Your spouse;
- Your children (to be divided equally);
- Your parents;
- Your brothers and sisters (to be divided equally); or
- The executors or administrators of your will.

The form for making your initial beneficiary designation is attached to your Participation Agreement. You may obtain new beneficiary designation forms from Interpublic's Human Resources Department.

CHANGE OF CONTROL

SPECIAL VESTING, ACCRUAL, AND PAYMENT RULES

Special Vesting and Accrual Rules

If, after a Change of Control, (a) your employment with Interpublic and its Subsidiaries is terminated involuntarily without Cause or (b) you resign from employment with Interpublic and its Subsidiaries for Good Reason:

- Your account will immediately become fully vested (if not already vested), and
- Interpublic will immediately credit your account with the sum of the annual dollar credits that would have been added to your account on each December 31st after your Termination of Employment if you had continued working for Interpublic (as an active participant in the Plan) through your Severance Completion Date.

Special Payment Rule

- If your Termination of Employment (for any reason) occurs within two years after a Change of Control, Interpublic will pay your account balance (including any additional credits, as described above, if your employment is terminated involuntarily without Cause or you resign for Good

Reason) in a lump sum.

- Ø Unless Interpublic determines that you are a Top-50 Employee, the lump-sum payment will be made within 30 days after your Termination of Employment.

- ØIf Interpublic determines that you are a Top-50 Employee, the lump-sum payment will be delayed until the earlier of (a) the first day of the seventh month that starts after your Termination of Employment or (b) the first day of the first month that starts after your death. You will not receive any special interest payments for the delay, but Interpublic will continue to add annual interest credits to your account each December 31st until your account balance is paid in full.

- If your Termination of Employment occurs after the second anniversary of the Change of Control, Interpublic will pay your account balance (including the additional credits described above) at the time and in the form that would apply if there had not been a Change of Control.

DEFERRED COMPENSATION TRUST

Before a Change of Control, Interpublic must contribute to a Deferred Compensation Trust an amount equal to the then-present value of the sum of all benefits that would become payable under the Plan if Interpublic terminated all participants' employment without Cause immediately after the Change of Control. The amount to be contributed will be determined by an Outside Auditor engaged by Interpublic at Interpublic's expense.

For purposes of calculating the amount to be contributed to a Deferred Compensation Trust, the Outside Auditor will make the following assumptions:

- The assumed annual rate of interest and discount rate will be the rate of interest to be credited to accounts (as described under "Your Benefit," above) for the year in which the Change of Control occurs, and

- Payment of the benefits described above would be due within 30 days after the Change of Control.

Assets that Interpublic or any Subsidiary contributes to the Deferred Compensation Trust are subject to the claims of the creditors of Interpublic or the Subsidiary (as the case may be) in the event of its bankruptcy or insolvency. The Deferred Compensation Trust will not change your status as a general unsecured creditor of Interpublic.

REDUCTION OF BENEFITS AFTER A CHANGE OF CONTROL

It is possible that some or all of the benefit you receive after a Change of Control will be treated as an “excess parachute payment” that is subject to a 20% excise tax under Section 4999 of the Tax Code. If an Outside Auditor determines that any amount payable to you under the Plan is reasonably likely to trigger the 20% excise tax, your benefit under the Plan will be whichever of the following amounts results in a larger net benefit to you, after taxes (as determined by the Outside Auditor):

- Your full benefit under the Plan, all or part of which might be subject to a 20% excise tax, or
- Your benefit under the Plan, reduced to the extent the Outside Auditor determines is necessary to avoid triggering the 20% excise tax.

Interpublic will engage and pay the fees for the Outside Auditor to perform these calculations.

MISCELLANEOUS

PLAN ADMINISTRATION AND REVIEW OF DECISIONS

The Plan’s administrator is the MHRC. Before a Change of Control, the Plan’s administrator has complete and exclusive discretionary authority and responsibility to administer and interpret the Plan’s governing documents (including the authority to make findings of fact and to resolve ambiguities and inconsistencies in the Plan’s language, and to correct any inadvertent omissions). All decisions of the Plan’s administrator are considered to be final and controlling. Review by a court of any decision of the Plan’s administrator will be subject to the following standard of review:

- Before a Change of Control, the standard of review will be the “arbitrary and capricious” standard, which means that the court will defer to the MHRC’s decision (or the decision of any successor to the MHRC), and will not overturn that decision unless the court concludes that the decision cannot be supported by the relevant facts and applicable law.
- After a Change of Control, the standard of review will be *“de novo,”* which means that the court may overturn the MHRC’s decision (or the decision of any successor to the MHRC) if it disagrees with the decision.

The MHRC has authority to delegate any of its duties and responsibilities under the Plan as it deems appropriate. In addition, the MHRC may engage one or more persons to render advice with regard to any of its administration responsibilities. Any final decision by a delegate of the MHRC will be treated for purposes of the Plan as a decision of the MHRC.

PARTICIPATION AGREEMENT, AMENDMENT, AND TERMINATION

Your Participation Agreement sets forth specific terms relating to your benefit under the Plan. Your Participation Agreement, including any amendment to your Participation Agreement, is valid only if it is executed on behalf of Interpublic, by Interpublic’s Vice President, Global Compensation or a member of the MHRC.

Although Interpublic intends to continue the Plan indefinitely, Interpublic reserves the right to amend or terminate the Plan and any Participation Agreement at any time, and from time to time, either retroactively or prospectively, without your consent. However, unless necessitated by a change in applicable law, an amendment or termination may not —

- reduce the amount of your vested account balance as of the later of (a) the effective date of the amendment or termination or (b) the date the amendment or termination is adopted; or
- result in a change to the form or time for paying your account balance under the Plan, unless Interpublic determines, based on the advice of counsel, that a change in the form or time of payment will not trigger adverse tax consequences.

In addition, any amendment or termination that is adopted or becomes effective during the three years following a Change of Control may not take away any of your rights, or relieve Interpublic of any of its obligations under the Plan, including those set forth in the section entitled “Change of Control,” above.

Subject to the restrictions set forth above, any amendment or termination may be adopted by resolution of the Compensation Committee. In addition, the MHRC —

- may make any amendment required to comply with federal or state law (including any tax law that could result in adverse tax consequences), or that is desirable to improve the administration of the Plan, if the amendment does not materially affect the level of benefits provided under the Plan to or on behalf of any participant;
- may change the amount of your annual dollar credit (including a reduction to zero) for future periods; and
- has discretion to accelerate payment to the extent that Interpublic or the MHRC determines, with the advice of counsel, is permitted without violating the requirements of Section 409A of the Tax Code.

SUCCESSORS TO INTERPUBLIC

Interpublic shall require any successor to its business or its assets to assume the Plan expressly, absolutely, and unconditionally, and to administer the Plan in accordance with its terms. After a Change of Control, all references to Interpublic and its Subsidiaries shall be deemed to refer to Interpublic’s successor and its Subsidiaries.

COORDINATION WITH OTHER BENEFITS

Your benefit under the Plan is designed to be in addition to any benefits you earn under other benefit plans sponsored by Interpublic and its Subsidiaries. Except as expressly provided in another plan or in this Plan, your right to a benefit under the Plan will not affect the benefits under any other plan.

NATURE OF YOUR ACCOUNT BALANCE AND PLAN ASSETS

The obligation to pay your vested account balance is a liability of Interpublic. Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation, and any assets that Interpublic or a Subsidiary sets aside to fund your vested account balance under the Plan, whether in a Deferred Compensation Trust or otherwise, will remain available to creditors of Interpublic or the Subsidiary (as the case may be) in the event of its bankruptcy or insolvency.

ASSIGNMENT AND ALIENATION

In general, your right to a benefit under the Plan (and the corresponding rights of your beneficiaries) may not be assigned, transferred, alienated, encumbered, or otherwise subject to lien. However, the Plan will comply with domestic relations orders that the Plan’s administrator determines are “qualified domestic relations orders” under ERISA.

WITHHOLDING AND OTHER TAX CONSEQUENCES

Interpublic will deduct from amounts paid or due to a participant or beneficiary under the Plan all income, employment, excise and other taxes that it reasonably determines are required to be withheld by any government or government agency, including taxes on income that is currently subject to tax even though it is not currently paid or payable to you. All benefit amounts described in the Participation Agreement and Plan document are gross amounts, before reductions for withholding. You (or your beneficiaries) are responsible for satisfying any remaining tax obligations (including any tax or penalty due as a result of a failure to comply with Section 409A of the Tax Code; see “Compliance with Tax Code § 409A,” below), to the extent that amounts withheld (if any) are insufficient.

AUTHORITY TO DETERMINE PAYMENT DATE

To the extent that any payment under the Plan may be made within a specified number of days on or after any date or the occurrence of any event, the date of payment shall be determined by Interpublic in its sole discretion, and not by any participant, beneficiary, or other individual.

COMPLIANCE WITH TAX CODE § 409A

Your benefit under the Plan is subject to Section 409A of the Tax Code, which imposes restrictions on deferred compensation arrangements like the Plan. Interpublic intends to operate, administer, and interpret the Plan in accordance with Section 409A. If the Compensation Committee or the MHRC determines in good faith that (a) any aspect of the Plan is inconsistent with the restrictions imposed by Section 409A (including guidance interpreting Section 409A) and (b) an amendment to the Plan could reduce or eliminate adverse tax consequences under Section 409A, the Compensation Committee or the MHRC may amend the Plan (including your Participation Agreement) without your consent to the extent that it determines, based on the advice of counsel, the amendment is necessary to reduce or eliminate such adverse tax consequences.

MAILING ADDRESS

After you terminate employment with Interpublic and its Subsidiaries, you will receive periodic correspondence related to your benefit (if any) under the Plan. It is your responsibility to notify Interpublic's Human Resources Department of any changes in your mailing address or in the mailing address of any of your beneficiaries (or contingent beneficiaries). Failure to update your address could delay distribution of your vested account balance.

OVERPAYMENTS

If an overpayment of benefits is made under the Plan, the amount of the overpayment may be set off against future payments under the Plan until the overpayment has been recovered. If no future payments are scheduled, you will be required to return the overpaid amount, and Interpublic may pursue any legal or equitable avenue to effectuate recovery.

INCAPACITY AND MINOR STATUS

If any individual entitled to a payment under the Plan is a minor, or is physically or mentally unable to care for his or her affairs, and another person or institution is maintaining custody over the individual entitled to receive the payment, payments under the Plan may be made, for the benefit of the individual entitled to payment, to the custodial person or institution, as applicable. If a court has appointed a guardian or representative of the individual entitled to payment, payment will be made to the guardian or representative. Any such payment will discharge the Plan's liability, as if the payment were made to the individual entitled to payment.

CONTINUED EMPLOYMENT

Nothing in the Plan gives you the right to continue in the employment or service of Interpublic or its Subsidiaries, or to receive annual compensation in any particular amount. Conversely, nothing in the Plan gives Interpublic or any Subsidiary the right to require you to remain in its employ.

LIABILITY LIMITED

Except as and to the extent otherwise provided by applicable law, no liability will attach to or be incurred by the shareholders, directors, officers, or employees of Interpublic and its Subsidiaries under or by reason of any of the terms and conditions of the Plan.

TITLES AND HEADINGS NOT TO CONTROL

The titles and headings of sections of the Plan are for convenience of reference only. In the event of any conflict, the text of the Plan, rather than the titles or headings, will control.

SEVERABILITY

If any provision of the Plan is held illegal or invalid for any reason, other provisions will be unaffected. The Plan will be construed as if any illegal or invalid provision were never inserted.

VARIATIONS IN PLAN TERMS

Your individual Participation Agreement may contain provisions that conflict with or are otherwise inconsistent with the terms set forth in this plan document. If so, the terms of your Participation Agreement will control. For the avoidance of doubt, however, this plan document applies to the extent that any issue is not addressed in your Participation Agreement: silence in your Participation Agreement will not be construed as a conflict or inconsistency.

COMPLETE STATEMENT OF THE PLAN

This pamphlet and your Participation Agreement are a complete statement of your rights under the Plan. Any question regarding your rights under the Plan must be resolved by applying the terms of the Plan document and your Participation Agreement. External evidence of intent or meaning will not be relevant.

CLAIMS AND APPEALS

The Plan has specific procedures for making a claim for benefits. You must exhaust this claim and appeal process before you can file a lawsuit in court. The claim and appeal process has two levels: (1) the initial claim and (2) review on appeal. They operate as follows:

INITIAL CLAIMS

1. Any benefit claim must be in writing and delivered to the MHRC, at the following address:

   IPG Management Human Resources Committee
   1114 Avenue of the Americas, 19th Floor
   New York, NY 10036
   Attn: Executive Vice President, Chief Strategy and Talent Officer
2. The MHRC will generally review and decide each claim within 90 days after the claim is received. If the MHRC needs more time to decide your claim, the MHRC will notify you, and may extend the review period by up to an additional 90 days.

   Ø The time period within which the MHRC must decide your claim starts on the date the MHRC receives your claim, even if you do not submit all of the information needed to resolve your claim. However, if the MHRC needs more information to resolve your claim, you and the MHRC may agree to extend the period for making the decision. If you do not provide any requested information by the deadline that the MHRC sets, the MHRC will decide your claim based on the information it has as of the deadline. This might result in your claim being denied.

   Ø If your claim is not resolved within the time periods described above, you may consider your claim to have been denied. You may (a) contact the MHRC to determine whether your claim has, in fact, been denied, (b) file an appeal with the MHRC (following the procedures set forth in the "Appeals" section, below), or (c) bring a lawsuit under Section 502(a) of ERISA.

3. When your claim is decided, the MHRC will issue a written decision. If your claim is wholly or partially denied, the decision will include —

   Ø the specific reason or reasons for denial of your claim;

   Ø references to the specific Plan provisions upon which the denial is based;

- Ø a description of any additional material or information necessary to perfect your claim, and an explanation of why the material or information is necessary;
- Ø an explanation of the appeal procedures and the applicable time limits; and
- Ø a statement of your right to file a lawsuit under Section 502(a) of ERISA if your claim is denied after the MHRC reviews its initial decision.

APPEALS

1. Within 60 days after you receive a written notice of denial of your claim (or the end of the time period for deciding your claim), you may file a written request with the MHRC, at the address shown above, for a full and fair review of its initial decision (an “appeal”).

2. In connection with a request for review, you may —

   - Ø submit written comments, documents, records and other information relating to your claim; and
   - Ø receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information that the MHRC determines is relevant to your claim.

3. The review on appeal will take into account all comments, documents, records and other information that you submit, regardless of whether the information was considered in the initial benefit determination. The MHRC will generally decide your appeal within 60 days after your request for review is received. If the MHRC needs more time, the MHRC will notify you, and the MHRC may extend the review period by up to an additional 60 days.

   - Ø If the MHRC needs more information to decide your appeal, the period within which the MHRC must decide your appeal will automatically be extended. The length of the extension will be equal to the number of days from when the MHRC sends you a request for additional information until the earlier of (a) the date the MHRC receives the requested information or (b) the due date that the MHRC establishes for providing that information.
   - Ø If your appeal is not resolved within the time periods described above, you may consider your appeal to have been denied. You may (a) contact the MHRC to determine whether your appeal has, in fact, been denied and/or (b) bring a lawsuit under Section 502(a) of ERISA.

4. When your appeal is decided, the MHRC will render a written decision. If your appeal is wholly or partially denied, the decision will include —

   - Ø the specific reason or reasons for the decision;
   - Ø references to the specific Plan provisions upon which the decision is based;
   - Ø an explanation of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information that the MHRC determines is relevant to your claim for benefits; and
   - Ø a statement of your right to bring a civil action under Section 502(a) of ERISA.

OTHER RULES AND RIGHTS REGARDING CLAIMS AND APPEALS

- You may authorize a representative to pursue any claim or appeal on your behalf. The MHRC may establish reasonable procedures for verifying that any representative has in fact been authorized to act on your behalf.
- The Plan will be interpreted and enforced in accordance with the applicable provisions of ERISA and federal tax laws that apply to nonqualified deferred compensation. To the extent that state-law issues arise, New York law (exclusive of choice of law provisions) will govern.

GLOSSARY OF KEY TERMS

Business Unit	The business unit or units of Interpublic by which you are employed.
Cause	Cause for your employer to terminate your employment with Interpublic and its Subsidiaries, which will exist if — • you materially breach a provision in an employment agreement between you and Interpublic or a Subsidiary, and you do not cure that breach within 15 days after you receive written notice from your employer of the breach; • without written approval from Interpublic's Board of Directors or the person to whom you report directly, you (a) misappropriate funds or property of Interpublic or a Subsidiary or (b) attempt to secure any personal profit related to the business of Interpublic or a Subsidiary; • you engage in conduct that Interpublic determines constitutes fraud, material dishonesty, gross negligence, gross malfeasance, insubordination, or willful misconduct in the performance of your duties as an employee of Interpublic or a Subsidiary, or you willfully fail to follow Interpublic's code of conduct, unless your actions (or failure to act) are taken in good faith and do not cause material harm to Interpublic or a Subsidiary; • you refuse or fail to attempt in good faith (a) to perform your duties as an employee of Interpublic or a Subsidiary or (b) to follow a reasonable good-faith direction of Interpublic's Board of Directors or the person to whom you report directly, and you do not cure the refusal or failure within 15 days after you receive written notice from your employer of the refusal or failure; • you commit, or are formally charged or indicted for allegedly committing, a felony or a crime involving dishonesty, fraud, or moral turpitude; or • you engage in activities that are prohibited by Interpublic's policy prohibiting discrimination or harassment based on age, gender, race, religion, disability, national origin or any other protected category.

Change of Control	A change in (a) the ownership or effective control of Interpublic or (b) the ownership of a substantial portion of Interpublic's assets, each as defined in rules and regulations under Section 409A of the Tax Code. Subject to certain limited exceptions, a Change of Control of Interpublic would generally occur if — • a person or group acquires more than 50% of the total fair market value or voting power of Interpublic's stock; • during a 12-month period, a person or group acquires 30% or more of the total voting power of Interpublic's stock; • during a 12-month period, a person or group acquires 40% or more of Interpublic's assets (determined based on gross fair market value); or • during a 12-month period, a majority of Interpublic's Board of Directors is replaced by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election.
Compensation Committee	The Compensation and Leadership Talent Committee of Interpublic's Board of Directors, or its successor.
Deferred Compensation Trust	A trust agreement to which Interpublic is a party that is established to fund benefits under the Plan. The terms of any Deferred Compensation Trust are subject to the restrictions set forth in Section 409A of the Tax Code, and assets that Interpublic or a Subsidiary sets aside in any Deferred Compensation Trust will be subject to the claims of creditors of Interpublic or the Subsidiary (as the case may be) in the event of its bankruptcy or insolvency.
ERISA	The Employee Retirement Income Security Act of 1974, as amended.
ESBA	An Executive Special Benefit Agreement with Interpublic.

Good Reason	You will be considered to have resigned for Good Reason only if: Ø You notify Interpublic in writing that one or more of the "triggering circumstances" listed below has occurred within 90 days after the circumstance(s) first occurred; Ø The triggering circumstance(s) is (are) not remedied within 30 days after Interpublic receives the notice required by the preceding bullet; Ø You did not provide notice of your intent to resign at any time before the triggering circumstance(s) first occurred; and Ø Your Termination of Employment is effective as soon as practicable (and no more than 10 days) after the earlier of (1) the end of the 30-day cure period described above or (2) the date your Business Unit provides written notice of its express waiver of the cure period. • The following are the "triggering circumstances": Ø Interpublic or a Subsidiary materially reduces your rate of base salary; Ø An action by Interpublic or a Subsidiary results in your authority, duties, or responsibilities being materially diminished; Ø An action by Interpublic or a Subsidiary results in material diminution in your reporting structure (for example, insertion of a new position between you and the position to which you report); Ø Interpublic or a Subsidiary materially diminishes the budget over which you retain authority; Ø Your principal place of work is moved more than 50 miles outside the city in which you are principally based, unless (a) you make the relocation decision or (b) you are notified in writing that Interpublic or your employer is seriously considering such a relocation and do not object in writing (based on a reasonable concern) within 10 days after you receive the written notice; or Ø Interpublic or a Subsidiary materially breaches any employment agreement between you and your employer.
Interpublic	The Interpublic Group of Companies, Inc., and any successor to The Interpublic Group of Companies, Inc.
MHRC	Interpublic's Management Human Resources Committee.

Outside Auditor	Either of the following firms: • The outside auditing firm retained by Interpublic in the last fiscal year that ends before a Change of Control, or • A national auditing firm acceptable to at least 75% of the Plan participants who are actively working for Interpublic or a Subsidiary immediately before a Change of Control.
Participation Agreement	The written agreement between you and Interpublic that documents the terms of your participation in the Plan.
Plan	The Interpublic Capital Accumulation Plan, as set forth in this pamphlet and your Participation Agreement, each as in effect and amended from time to time.
Severance Completion Date	The last day of the calendar month that includes the end of the payroll period for which your last Severance Payment (if any) is paid. If you are not eligible to receive Severance Pay, or you receive Severance Pay in a lump sum, your Severance Completion Date is the date of your Termination of Employment.
Severance Pay	A payment or payments made under a severance plan or policy or an agreement with Interpublic or a Subsidiary upon or after your Termination of Employment as compensation for (a) terminating your employment involuntarily without Cause or (b) your resignation for Good Reason.
Subsidiary	Any corporation or other entity that is required to be combined with Interpublic as a single employer under Section 414(b) or (c) of the Tax Code. In general, this means Interpublic and all other entities of which Interpublic directly or indirectly owns 80 percent or more of the combined voting power or total value of shares.
Tax Code	The Internal Revenue Code of 1986, as amended.
Termination of Employment	The date your employment with Interpublic and its Subsidiaries ends, including the date on which you die, retire, quit, or are discharged, as determined by Interpublic in accordance with Treas. Reg. § 1.409A-1(h). Subject to the next sentence, if you are on a leave of absence, your Termination of Employment will automatically be deemed to have occurred on the later of (a) the first day that is more than six months after your leave started or (b) the first day after all statutory and contractual rights to reemployment with Interpublic or a Subsidiary expire. If the reason for your leave of absence is a medically determinable physical or mental condition that can be expected to last for six consecutive months or longer, and the condition causes you to be unable to perform the duties of your position or a substantially similar position, the six-month period described in clause (a) of the preceding sentence will be extended to 29 months. A sale of assets by Interpublic or a Subsidiary to an unrelated buyer that results in your working for the buyer (or one of its affiliates) will not, by itself, constitute a Termination of Employment unless Interpublic (with the buyer's written consent) so provides in writing 60 or fewer days before the closing of the sale.

Top-50 Employee	A “specified employee” under Section 409A of the Tax Code, determined by Interpublic in accordance with Treas. Reg. § 1.409A-1(i). In general, as long as Interpublic is a public company (or, if Interpublic is acquired, the parent company is a public company), you will be a “specified employee” under Section 409A of the Tax Code if you are one of the 50 highest-paid officers of Interpublic (or, if Interpublic is acquired, the corporate parent) and its Subsidiaries.

Exhibit A: Sample Release Language

<u>Release of Claims.</u> By signing this Agreement and Release, Employee, on behalf of him/herself and his/her current, former, and future heirs, executors, administrators, attorneys, agents and assigns, hereby fully and without limitation releases, covenants not to sue, and forever discharges Employer, The Interpublic Group of Companies, Inc. (“Interpublic”), and their respective parents, subsidiaries, and affiliates, officers, directors, employees, shareholders, members, agents, attorneys, trustees, fiduciaries, representatives, benefit plans and plan administrators, successors and/or assigns, and all persons or entities acting by, through, under, or in concert with any or all of them (collectively, the “Releasees”) from all rights, claims, actions and causes of action, whether in law or equity, suits, damages, losses, attorneys’ fees, costs, and expenses, of whatever nature whatsoever that Employee now has or has ever had, whether known or unknown or based on facts now known or unknown, fixed or contingent, suspected or unsuspected, against the Releasees, occurring from the beginning of time up to and including the date that Employee executes this Agreement and Release that arise out of, or are in any way related to Employee’s employment by Employer or the termination of Employee’s employment with Employer.

Without limiting the foregoing, Employee understands and agrees that the foregoing release provisions include, without limitation:

a. any claims for wrongful termination, defamation, invasion of privacy, intentional infliction of emotional distress, or any other common law claims;

b. any claims for the breach of any written, implied or oral contract between Employee and Employer, including but not limited to any contract of employment;

c. any claims of discrimination, harassment or retaliation based on such things as age, national origin, ancestry, race, religion, sex, sexual orientation, or physical or mental disability or medical condition;

d. any claims for payments of any nature, including but not limited to wages, overtime pay, vacation pay, severance pay, commissions, bonuses and benefits or the monetary equivalent of benefits, but not including any claims for unemployment or workers’ compensation benefits, or for the consideration being provided to Employee pursuant to Paragraph 2 of this Agreement; and

e. all claims that Employee has or that may arise under the common law and all federal, state and local statutes, ordinances, rules, regulations and orders, including but not limited to any claim or cause of action based on the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Civil Rights Acts of 1866, 1871 and 1991, the Rehabilitation Act of 1973, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, Executive Order 11246, and any state laws governing employee rights, *[if Employer is located in California: including, but not limited to, the California Labor Code, Section 1542 of the Civil Code of California]* as each of them has been or may be amended.

[if Employer is located in California: Section 1542 of the Civil Code of California provides:

A general release does not extend to claims, which the creditor does not know or suspect to exist in his/her favor at the time of executing the release, which if known by him/her must have materially affected his settlement with the debtor.

Employee acknowledges that the above release covers all claims described in this Paragraph, whether such claims are known or unknown and suspected or unsuspected. Employee further acknowledges that he/she understands the significance and consequences of this release and of this specific waiver of Section 1542 of the Civil Code of California.*]*

This Agreement and Release shall be binding upon and inure to the benefit of Employee and the Releasees and any other individual or entity who may claim any interest in the matter through Employee. Employee also acknowledges that he/she has not assigned any of his/her rights to make the aforementioned claims or demands. Employee also acknowledges and represents that he/she has not filed nor will he/she file any lawsuits based on claims or demands that he/she has released herein.

FORM FOR NEW PARTICIPANTS
Note: This form should not be used for benefit increases.

Received by HR _________________

The Interpublic Senior Executive Retirement Income Plan

Participation Agreement

WHEREAS, _________________________________ (the "Participant") is a senior executive of The Interpublic Group of Companies, Inc. ("Interpublic") and its subsidiaries, and has been approved by the Compensation Committee of Interpublic's Board of Directors to participate in The Interpublic Senior Executive Retirement Income Plan ("SERIP");

WHEREAS, the Participant has received and reviewed the pamphlet entitled "The Interpublic Senior Executive Retirement Income Plan," as amended and restated effective August 1, 2014, which sets forth the basic terms and conditions of SERIP (such pamphlet, as in effect and amended from time to time, being referred to herein as the "Plan Document"); and

WHEREAS, the Plan Document provides that certain details with regard to the Participant's benefit and other rights and responsibilities under SERIP are to be set forth in the Participant's Participation Agreement;

NOW, THEREFORE, the undersigned Participant agrees to be bound by the terms of the Plan Document, which terms are incorporated herein by reference, and modified and expanded as follows:

1. <u>Effective Date</u>. This Participation Agreement shall be effective as of _________________; provided, however, that if the Participant does not execute the Participation Agreement and return it to Interpublic's Human Resources Department by ___________________ ***[insert the 30th day after he first became eligible to participate in SERIP]***, this Participation Agreement shall not be effective until the next January 1st after ***[he] [she]*** returns the executed Participation Agreement to Interpublic's Human Resources Department.

2. <u>Benefit and Vesting</u>. The Participant's benefit under SERIP is $____________ per year, if paid in monthly installments for 15 years starting on or after the Participant's 65th birthday and after the benefit has become fully vested. Subject to paragraphs 3, 4, and 5, below, and the provisions of the Plan Document that are triggered by a Change of Control (as defined in the Plan Document), this benefit is scheduled to become fully vested on the following date (assuming the Participant continues in the employment of Interpublic and its subsidiaries until such date):

   - If the Participant returns an executed copy of this Participation Agreement to Interpublic's Human Resources Department by _______________ ***[insert the 30th day after he first became eligible to participate in SERIP]***, the scheduled vesting date will be _________________ ***[insert the 10th anniversary of the last day of the calendar month in which the Participant returns his executed Participation Agreement; for example, if participant turns in Agreement on 6/15/14, vesting date would be 6/30/24]***.

   - If the Participant does not return an executed copy of this Participation Agreement to Interpublic's Human Resources Department by the date specified in the preceding paragraph, the scheduled vesting date will be December 31st of the tenth calendar year that starts after the Participant returns an executed copy of this Participation Agreement to Interpublic's Human Resources Department.

As set forth in the Plan Document, the amount of the Participant's benefit is subject to reduction if payment starts before the Participant's 65th birthday. If the Participant's employment is terminated by Interpublic without Cause, or the Participant resigns for Good Reason, the reduction will apply only if payment starts before age 60.

3. <u>Release</u>. The Participant's right to receive any payments under SERIP is conditioned on executing the release described in the Plan Document by the deadline set forth therein, and not revoking such release. If the Participant fails to execute such release by the applicable deadline, or the Participant revokes such release, ***[he] [she]*** shall forfeit ***[his] [her]*** benefit under SERIP and return any payments previously received under SERIP.

4. <u>Termination for Cause</u>. If the Participant's employment with Interpublic and its Subsidiaries is terminated for Cause (as defined in the Plan Document), ***[he] [she]*** shall forfeit ***[his] [her]*** benefit under SERIP.

5. <u>Non-Competition, Non-Solicitation, and Prohibited Activities</u>. For a period of two (2) years following the termination of the Participant's employment for any reason, the Participant shall not: (a) accept employment with or serve as a consultant, advisor or in any other capacity to an employer that is in competition with the business unit or units of Interpublic by which the Participant is employed (the "Business Unit"); (b) directly or indirectly, either on the Participant's own behalf or on behalf of any other person, firm or corporation, solicit or perform services for any Client (as defined below); (c) directly or indirectly employ or attempt to employ or assist anyone else to employ any person who is at such time or who was within the six-month period immediately prior to such time in the employ of the Business Unit; or (d) engage in a Prohibited Activity (as defined below).

   "Client" includes any person (including a company or other entity) that, as of the date of the Participant's termination of employment or at any other time during the two-year period ending with the Participant's termination of employment, is or was (i) a client of the Participant's Business Unit or (ii) a prospective client with whom the Participant had direct contact.

   "Prohibited Activity" includes: (i) any activity that would give rise to termination for Cause (as defined in the Plan Document); (ii) a material violation of any rule, policy or procedure of Interpublic or the Participant's Business Unit, including but not limited to the Code of Conduct of Interpublic and any such Business Unit; or (iii) any other conduct or act that Interpublic's Management Human Resources Committee ("MHRC") or the Compensation and Leadership Talent Committee of Interpublic's Board of Directors (the "Compensation Committee") determines is injurious, detrimental, or prejudicial to any interest of Interpublic.

   If the Participant breaches any provision of this paragraph 5, ***[he] [she]*** shall forfeit ***[his] [her]*** benefit and return any payments received pursuant to SERIP. The Participant acknowledges that these provisions are reasonable and necessary to protect Interpublic's legitimate business interests, and that these provisions do not prevent the Participant from earning a living. If at the time of enforcement of any provision of this Agreement, a court shall hold that the duration, scope, or area restriction of any provision hereof is unreasonable under circumstances now or then existing, the parties hereto agree that the maximum duration, scope, or area reasonable under the circumstances shall be substituted by the court for the stated duration, scope, or area.

6. Form of Payment. Subject to the special rules set forth in the Plan Document that apply following a Change of Control (as defined in the Plan Document), the Participant's vested benefit under SERIP (if any) shall be paid in monthly payments for 15 years.

   The Participant may not change the form in which ***[his] [her]*** benefit under SERIP will be paid, except to the extent (if at all) that the Plan Document permits the Participant to make such a change.

7. Payment Start Date. Interpublic shall begin paying the Participant's vested benefit (if any) at the time prescribed by the Plan Document. The Participant may not change the time at which payment of ***[his] [her]*** benefit under SERIP begins, except to the extent (if at all) that the Plan Document permits the Participant to make such a change.

8. Relationship to Plan Document. This Participation Agreement is intended to be executed and administered in conjunction with the Plan Document, which is incorporated herein by reference. To the extent that this Participation Agreement does not address an issue, the applicable terms and provisions of the Plan Document shall govern such issue. To the extent that any term or provision of this Participation Agreement is inconsistent with a term or provision of the Plan Document, the term or provision of this Participation Agreement shall govern.

9. Complete Statement and Amendment. This Participation Agreement is a complete statement of the Participant's benefit and other rights under SERIP. The terms of this Participation Agreement may be amended at any time to the extent permitted by the Plan Document.

10. Knowing and Voluntary Agreement**.** By signing this Participation Agreement, the Participant acknowledges that —

    - ***[he] [she]*** has received and reviewed the Plan Document and this Participation Agreement,
    - ***[he] [she]*** fully understands the terms of the Plan Document and this Participation Agreement, and
    - ***[he] [she]*** is entering into this Participation Agreement voluntarily.

* * *

IN WITNESS WHEREOF, Interpublic, by its duly authorized officer, and the Participant have caused this Participation Agreement to be executed.

The Interpublic Group of Companies, Inc. **Participant**

BY: ________________________________ ________________________________

Ken Lareau
Vice President, Global Compensation

DATE: ________________________________ DATE: ________________________________

Return to Interpublic's Human Resources Department.

For HR Use Only

Effective Date: ________________

Vesting Date: ________________

BENEFICIARY DESIGNATION: Senior Executive Retirement Income Plan

Participant's Name____ **Soc. Sec. No:** _____________________________

Home Address ____

City____ **State** ____________________________**Zip**_______________

Date of Birth ____________________________

Daytime Telephone Number __________________________ **Evening Telephone Number** ___________________________

q ***Please check box if your address has changed within the last year***. q **I am married.** q **I am not married.**

Primary Beneficiary Designation

I hereby designate such of the following person(s) who shall survive me as my Primary Beneficiary(ies):

1.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
2.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
3.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
				Total = 100%

Contingent Beneficiary Designation

If no Primary Beneficiary named above shall survive me, I designate such of the following person(s) who shall survive me as my Contingent Beneficiary(ies).

1.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
2.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
3.	Name	Relationship	Date of Birth	Percentage Share*
	Address		Social Security No.	
				Total = 100%

*If no percentage is designated, beneficiaries will share equally. If any of my Primary Beneficiaries (or, if applicable, my Contingent Beneficiaries), predecease me, his or her benefits will be shared among my surviving Primary (or, if applicable, Contingent) Beneficiaries in accordance with the proportionate shares of the surviving beneficiaries designated above or, if no percentage is designated, equally.

Consent of Spouse

If a party other than the participant's spouse is named as Primary Beneficiary above, this designation is valid only if the participant's spouse (if any) consents below to the participant's designation of the Primary Beneficiary(ies) and only if the spouse's consent is witnessed by a notary public.

I, ___________________________________, am the spouse of the above-named participant. I hereby consent to the designation of the Primary Beneficiary(ies) specified above.

____ ________________________

Spouse's Signature Date

STATE OF ________________ COUNTY OF: ______________ ss:

On __________________________, before me personally came ________________________________; to me known and known to me to be the individual described as the spouse herein who executed the foregoing consent and duly acknowledged to me that he/she freely executed same.

____

Notary Public My Commission Expires:

Execution of Beneficiary Designation

____ ________________________

Participant's Signature Date

Exhibit 10(iii)(A)(2)

THE INTERPUBLIC SENIOR EXECUTIVE RETIREMENT INCOME PLAN

Amended and Restated
Effective August 1, 2014

DC: 949269-20

TABLE OF CONTENTS

As required by Treasury Department Circular 230, we inform you that (1) any statement regarding federal tax law contained in this pamphlet is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on you by the Internal Revenue Service, (2) any such statement was written to support the promotion or marketing of the Plan, and (3) you should seek tax advice based on your individual circumstances from an independent tax advisor.

INTRODUCTION AND PLAN HIGHLIGHTS

This pamphlet sets forth the basic terms of The Interpublic Senior Executive Retirement Income Plan, as amended and restated effective August 1, 2014. Capitalized terms used in this pamphlet are defined in the Glossary of Key Terms, at the end of the pamphlet.

The Plan is sponsored by Interpublic and has been in effect since August 2003. Your rights and responsibilities under the Plan are also governed by your Participation Agreement with Interpublic. Your Participation Agreement incorporates this pamphlet by reference—which means that this pamphlet is part of your Participation Agreement.

The Plan is unfunded and is designed primarily to provide deferred compensation for a select group of senior management employees of Interpublic and its Subsidiaries. The Plan is excepted from most of the requirements of ERISA.

The benefits provided under the Plan are offered to secure your goodwill, loyalty, and achievement, as well as to attract and retain other executives of outstanding competence. The Plan does not, however, give you the right to continue in the employ of Interpublic or its Subsidiaries, or to receive annual compensation of any particular amount.

Key features of the Plan include the following:

- Eligibility to participate in the Plan must be approved by the Compensation Committee. (See “Eligibility and Effective Date of Participation Agreement.”)
- The amount of your benefit under the Plan, expressed as an annual benefit starting at age 65 and continuing for 15 years, is set forth in your Participation Agreement. (See “Your Benefit.”) If your participation in the Plan was approved before August 1, 2014, your benefit is expressed as an annual benefit starting at age 60 and your Participation Agreement may provide for payment over 10 years. (See “Form of Payment.”) In addition, special rules apply after a Change of Control. (See “Change of Control.”)
- You will forfeit any part of your benefit under the Plan that is not vested (or does not become vested) upon your Termination of Employment. Subject to special rules that apply after a Change of Control, your benefit generally vests over ten years, and any increase in your benefit generally vests over seven years from the effective date of the increase. However, even after your benefit becomes vested, it is subject to your compliance with restrictive covenants and other forfeiture conditions. (See “Vesting and Forfeiture.”)
- In general, Interpublic will begin to pay your vested benefit under the Plan during the first month that starts on or after the later of (1) the second anniversary of your Termination of Employment or (2) your 55th birthday. If payments start before you reach age 65, the amount of your monthly benefit is subject to a reduction. (If your participation in the Plan was approved before August 1, 2014, or your employment is terminated involuntarily without Cause, or you resign for Good Reason, the reduction applies only to the extent that payments start before you reach age 60.) (See “When Payments Start.”) Special rules apply (a) if your employment terminates at age 66 or

older, (b) if you die before payments start, and (c) in the event of a Change of Control. (See “Death Benefits” and “Change of Control.”)

- The Plan is not funded. This means that the promise to pay benefits under the Plan is not backed up by a trust fund or by any other dedicated assets and that, as a Plan participant, you are a general unsecured creditor of Interpublic. Although special rules apply in the event of a Change of Control, those rules do not change your status as a general unsecured creditor. (See “Change of Control” and “Nature of Your Plan Benefit and Plan Assets.”)
- Your benefits under the Plan are in addition to, and independent of, any benefits to which you may be entitled under other benefit plans sponsored by Interpublic.

ELIGIBILITY AND EFFECTIVE DATE OF PARTICIPATION AGREEMENT

The Plan is designed to benefit the most senior U.S.-based management of Interpublic and its Subsidiaries. You are eligible to participate in the Plan only if your participation is approved by the Compensation Committee.

If you are eligible to participate in the Plan, you will become a participant after you execute your Participation Agreement. Your Participation Agreement and any amendment to your Participation Agreement will become effective on the date set forth in your Participation Agreement or amendment.

Your effective date is conditioned on returning your signed Participation Agreement to Interpublic by the deadline specified in your Participation Agreement. If you miss the specified deadline, your Participation Agreement will not be effective until the next January 1st after you return your signed Participation Agreement.

YOUR BENEFIT

Your benefit under the Plan is expressed as an annual benefit, payable for 15 years starting at age 65. Your Participation Agreement sets forth the benefit amount.*

However, as explained under “Reduction for Starting Payments Before Age 65,” below, the amount of your annual benefit is subject to reduction if payments start before you reach age 65.

Your benefit is subject to forfeiture until it becomes fully vested. The vesting rules are described under “Vesting and Forfeiture,” below. Also, special rules apply after a Change of Control. (See “Change of Control,” below.)

*If your participation in the Plan was approved before August 1, 2014, your benefit is expressed as annual benefit payable starting at age 60, and your Participation Agreement may provide for payment over 10 years.

BENEFIT INCREASES AND DECREASES

The amount of your benefit may be increased or decreased from time to time. Any change in your benefit will be set forth in an amendment to your Participation Agreement or in a new Participation Agreement.

Any increase in your benefit will be prospective and will be subject to special vesting rules (described under "Vesting and Forfeiture," below). If it becomes fully vested, your annual benefit under the Plan will be the sum of —

- the benefit stated in your initial Participation Agreement; plus
- each subsequent increase.

Each benefit increase vests separately. For more information, see "Vesting and Forfeiture," below.

REHIRE

If you leave Interpublic and its Subsidiaries, and later return to a senior management position that is approved for participation in the Plan, you will be treated as a new hire. You will not receive credit for your prior participation in the Plan.

VESTING AND FORFEITURE

As described below, your right to a benefit under the Plan is conditioned on satisfying the Plan's vesting conditions and certain other requirements.

GENERAL VESTING RULE

You will forfeit (or lose) any portion of your benefit that is not vested upon your Termination of Employment (determined as if you continued working, as an active participant in the Plan, through your Severance Completion Date). In general, your benefit under the Plan will begin to vest after you participate in the Plan for three years, and will become fully vested after you have participated in the Plan for ten years. However, special rules apply after a Change of Control. (See "Change of Control," below.)

In general, benefits under the Plan will vest according to the following schedule:

Years of Participation Since Effective Date of First Participation Agreement	Portion of Benefit that is Vested
Fewer than 3	0%
At least 3, but fewer than 4	30%
At least 4, but fewer than 5	40%
At least 5, but fewer than 6	50%
At least 6, but fewer than 7	60%
At least 7, but fewer than 8	70%
At least 8, but fewer than 9	80%
At least 9, but fewer than 10	90%
10 or more	100%

- If you had an ESBA, up to three years of participation in your ESBA will count as years of participation in the Plan.

- If (a) your employment with Interpublic and its Subsidiaries is terminated involuntarily without Cause or (b) you resign from employment with Interpublic and its Subsidiaries for Good Reason, the vested portion of your benefit will be the portion that would have become vested if you had continued working for Interpublic, as an active participant in the Plan, through your Severance Completion Date.

VESTING OF BENEFIT INCREASES

If your benefit is increased (as described above), the change in your benefit (the increase) will generally vest over seven years after the effective date of the increase. Subject to special rules that apply after a Change of Control, each increase in your benefit will vest according to the following schedule:

Years of Participation Since Effective Date of Increase	Vested Portion of Increase
At least 1, but fewer than 2	10%
At least 2, but fewer than 3	20%
At least 3, but fewer than 4	30%
At least 4, but fewer than 5	40%
At least 5, but fewer than 6	50%
At least 6, but fewer than 7	75%
7 or more	100%

- Vesting of each increase in your benefit begins on the next January 1st ***after*** you return your signed amendment or new Participation Agreement to Interpublic. Participation in an ESBA and prior participation in the Plan ***do not*** count toward the vesting of any benefit increase.

- If (a) your employment with Interpublic and its Subsidiaries is terminated involuntarily without Cause or (b) you resign from employment with Interpublic and its Subsidiaries for Good Reason, the vested portion of your benefit increase will be the portion that would have become vested if you had continued working for Interpublic, as an active participant in the Plan, through your Severance Completion Date.

EXAMPLE. Suppose you sign a Participation Agreement, effective September 1, 2014, specifying an annual benefit of $275,000 (if paid starting at age 65). On September 1, 2018, you sign a new Participation Agreement, increasing your annual benefit by $20,000 (to $295,000), and return the signed amendment to Interpublic. On September 30, 2023, Interpublic terminates your employment without Cause, and you are eligible to receive Severance Pay in installments for 12 months after your Termination of Employment. The amount of your annual vested benefit (if paid for 15 years, starting at age 65) would be $257,500 per year, calculated as follows:

- Your Severance Completion Date would be on or about September 30, 2024. Accordingly, the vested portion of your benefit and benefit increase will be the portion that would have become vested if you had continued working, as an active participant in the Plan, for Interpublic through September 30, 2024.
- As of September 30, 2024, you would have participated in the Plan for more than 9 years but less than 10 years. So your benefit under your original Participation Agreement would be 90% vested. The annual vested benefit would be $247,500 (90% or $275,000).
- The benefit increase from your September 1, 2018, Participation Agreement would be effective January 1, 2019. As of September 30, 2024, you would have participated in the Plan for more than 5 years, but less than 6 years, since the increase became effective. So the increase would be 50% vested. The annual vested benefit would be $10,000 (50% of $20,000).
- Your total annual vested benefit would be $257,500 ($247,500 + $10,000) per year.

As explained under "Reduction for Starting Payments Before Age 65," below, your benefit is generally subject to reduction if payments start before age 65. If your employment is terminated by Interpublic involuntarily without Cause, or you resign for Good Reason, however, the reduction applies only if payments start before age 60.

RELEASE

Effective August 1, 2014, to receive a benefit under the Plan, you must execute a release that is acceptable to Interpublic no later than 45 days after your Termination Date, and you must not revoke the release. Sample release language appears at Exhibit A. If you do not sign the release by the deadline, or you revoke the release, your benefit under the Plan will be forfeited, even if you previously satisfied the vesting conditions.

The release requirement does not apply if your participation in the Plan was approved before August 1, 2014.

FORFEITURE

You will forfeit any portion of your benefit that is not vested upon your Termination of Employment (determined as if you had continued working for Interpublic, as an active participant in the Plan, through your Severance Completion Date). Any unvested benefit and years of participation that accrued before your Termination of Employment will not be reinstated, even if you are rehired. In addition —

- You will forfeit your benefit if you violate a restrictive covenant set forth in your Participation Agreement. Effective August 1, 2014, the restrictive covenants generally prohibit competition, solicitation of certain current, former, and prospective clients and employees, and any other Prohibited Activity (as defined in your Participation Agreement).
- Effective August 1, 2014, you will forfeit your benefit if your employment is terminated for Cause or you fail to execute (or you revoke) the release described above. (The release is not required if your participation in the Plan was approved before August 1, 2014.)

PAYMENTS UNDER THE PLAN

WHEN PAYMENTS START

In general, subject to special rules that apply after a Change of Control (see “Change of Control,” below), Interpublic will start paying your vested benefit, if any, during the first month that starts on or after the later of —

- the second anniversary of your Termination of Employment or
- your 55th birthday.

However, the two-year wait will not apply if your participation in the Plan was approved on or after August 1, 2014, and you terminate employment at age 66 or older. In that case, Interpublic will start paying your vested benefit, if any, as of the first day of the later of (a) the seventh month that starts after your Termination of Employment or (b) the first month that starts on or after your 68th birthday.

For example, if your employment with Interpublic and its Subsidiaries terminates on June 15, 2017, at age 56, Interpublic would make the first payment in July 2019.

REDUCTION FOR STARTING PAYMENTS BEFORE AGE 65

The benefit amount set forth in your Participation Agreement assumes your benefit payments will start after you reach age 65 (or age 60 if your participation in the Plan was approved before August 1, 2014). If payments start before you reach that age, your monthly benefit is reduced as follows:

- If your participation in the Plan was approved before August 1, 2014, your vested monthly benefit will be reduced by $^5/_{12}$% for each full calendar month (5% per year) by which the date as of which payments start precedes your 60th birthday.
- If your participation in the Plan was approved after August 1, 2014, your vested monthly benefit will be reduced by $^5/_{12}$% for each full calendar month (5% per year) by which the date as of which payments start precedes your 65th birthday, subject to the following:

    - Ø If Interpublic terminates your employment involuntarily without Cause, or you resign for Good Reason, the reduction will apply only to the extent that payments start before your 60th birthday. The reduction will be $^5/_{12}$% for each full calendar month (5% per year) by which the date as of which payments start precedes your 60th birthday.

For purposes of these reductions, the date as of which payments start is the first day of the month in which the first payment is due.

EXAMPLE. Suppose your participation in the Plan was approved on September 1, 2014, and your annual age 65 vested benefit, payable for 15 years, is $175,000 per year. Suppose you resign (without Good Reason) on June 19, 2025, your 59th birthday. Assuming you sign (and do not revoke) the required release and you comply with the restrictive covenants set forth in your Participation Agreement, Interpublic would start paying your benefit as of July 1, 2023, which is 47 months before your 65th birthday. Accordingly, your vested benefit would be reduced by 19.5833% ($^5/_{12}$% per month *times* 47 months).

Amount of Reduction: 19.5833% of $175,000 = $34,270.83

Annual Benefit After Reduction: $175,000 –$34,270.83 = $140,729.17

Monthly Benefit After Reduction: $140,729.17/12 = $11,727.43

FORM OF PAYMENT

Subject to special rules that apply after a Change of Control (see “Change of Control,” below), the vested portion of your benefit under the Plan will be paid in monthly installments for 15 years.

If your participation in the Plan was approved before August 1, 2014, your Participation Agreement may provide for payments over 10 years rather than 15 years. In that case, the amount of each installment payment will generally be larger than if you receive your benefit in installments for 15 years, but the total amount of your vested benefit will be discounted to reflect the value of accelerating payment. The amount of the discount will be calculated using the Plan Interest Rate.

The amount of each monthly installment will be $^1/_{12}$th of your vested annual benefit.

The Plan does not allow you to change the form in which your vested benefit will be paid.

DISABILITY

If you become disabled while employed, you will continue to accumulate years of Plan participation until your Termination of Employment. Payments will start after your Termination of Employment in accordance with the payment timing rules described in this pamphlet. (See “Payments Under the Plan,” above.)

The date of your Termination of Employment will be determined in accordance with the Plan’s definition of “Termination of Employment.”

DEATH BENEFITS

AMOUNT, FORM, AND TIME OF DEATH BENEFIT

If you die before your vested benefit is paid in full, a beneficiary (or beneficiaries) whom you select will be entitled to receive the remainder (if any) of your vested benefit in a lump sum. The amount of the lump-sum payment will be the present value of the portion of your vested benefit that has not yet been paid, determined using the Plan Interest Rate. Interpublic will pay the lump sum within 90 days after your death.

DESIGNATING YOUR BENEFICIARY

You may designate one or more primary beneficiaries to receive any unpaid portion of your vested benefit after your death. You may also designate one or more contingent beneficiaries, who would receive any remaining payments if all of your primary beneficiaries die before all payments have been made. You may change your beneficiaries at any time before your death by filing a new beneficiary designation form with Interpublic’s Human Resources Department.

If you are married on the date of your death, your beneficiary will be your spouse, unless you specify a different beneficiary. You may not designate a beneficiary other than your spouse, however, without your spouse’s written consent.

In the absence of an effective beneficiary designation (or if none of your primary or contingent beneficiaries are living), the remainder of the vested portion of your benefit (if any) will be distributed, in the form set forth above, to the first of the following to survive you:

- Your spouse;
- Your children (to be divided equally);
- Your parents;
- Your brothers and sisters (to be divided equally); or
- The executors or administrators of your will.

The form for making your initial beneficiary designation is attached to your Participation Agreement. You may obtain new beneficiary designation forms from Interpublic’s Human Resources Department.

CHANGE OF CONTROL

SPECIAL VESTING AND PAYMENT RULES

The Plan has special rules that apply if your employment with Interpublic and its Subsidiaries terminates within two years after Change of Control.

Special Vesting Rule

The Plan's special vesting rule applies only if:

- As of December 31st of the year in which the Change of Control occurs:
  - Ø You will be age 55 or older ***and***
  - Ø Your benefit under the Plan will be within two years of full vesting (*i.e.*, your benefit will become fully vested by December 31st of the second calendar year that starts after the Change of Control), ***and***
- Within two years after a Change of Control, (a) your employment with Interpublic and its Subsidiaries is terminated involuntarily without Cause or (b) you resign from employment with Interpublic and its Subsidiaries for Good Reason.

If you meet the conditions described above, then upon your Termination of Employment, your benefit under the Plan will immediately be fully vested.

If you do not meet both of the conditions above, but (a) your employment is terminated involuntarily without Cause or (b) you resign for Good Reason, the vested portion of your benefit under the Plan will be the portion of your benefit that would have become vested if you had continued working for Interpublic, as an active participant in the Plan, through your Severance Completion Date.

Special Payment Rules

After a Change of Control, the time and form in which your benefit will be paid (regardless of the reason for your Termination of Employment) will depend on when your Termination of Employment occurs, as follows:

If Your Termination of Employment Occurs On or Before the Second Anniversary of the Change of Control	If Your Termination of Employment Occurs After the Second Anniversary of the Change of Control
Subject to the "Delay of Payment to Top-50 Employees" (described below), Interpublic will pay the vested portion of your benefit in a lump sum within 30 days after your Termination of Employment.	Interpublic will pay the vested portion of your benefit at the time and in the form set forth in your Participation Agreement.

How to Calculate the Lump Sum. If your benefit is paid in a lump sum (because your Termination of Employment occurs within two years after the Change of Control), the lump sum will equal the present value of a stream of payments determined as follows:

- If your participation in the Plan was approved before August 1, 2014, the lump sum will equal the present value of the stream of payments you would receive if the vested portion of your benefit were paid in monthly installments for 15 years, starting as of the first day of the following month:

  - If your benefit under the Plan is fully vested (including vesting under the special vesting rule described above), the first month that starts on or after the later of (a) the second anniversary of your Termination of Employment or (b) your 60^{th} birthday.

  - If your benefit under the Plan is not fully vested, the first month that starts on or after the later of (a) the second anniversary of your Termination of Employment or (b) your 55^{th} birthday.

- If your participation in the Plan was approved on or after August 1, 2014, the lump sum will equal the present value of the stream of payments you would receive if the vested portion of your benefit were paid in monthly installments for 15 years, starting as of the first day of the following month:

  - If you terminate employment at age 66 or older, the later of (a) the seventh month that starts after your Termination of Employment or (b) the first month that starts on or after your 68^{th} birthday; or

  - If you terminate employment before age 66, the first month that starts on or after the later of (a) the second anniversary of your Termination of Employment or (b) your 55^{th} birthday. As explained above, if Interpublic terminates your employment involuntarily without Cause or you resign for Good Reason, the assumed monthly payments will be reduced for early commencement only to the extent that assumed payment stream starts before your 60th birthday. (See “Reduction for Starting Payments Before Age 65,” above.)

The interest rate for this calculation will be the Plan Interest Rate.

Delay of Payment to Top-50 Employees

If Interpublic determines that you are a Top-50 Employee, payment of your vested benefit will be delayed until the earlier of (a) the first day of the seventh month that starts after your Termination of Employment or (b) the first day of the first month that starts after your death (the “Delayed Payment Date”). Any amount that was scheduled to be paid to you before the Delayed Payment Date will be paid to you on the Delayed Payment Date. (If no payments are scheduled to be made until after the Delayed Payment Date, this paragraph will not apply.)

DEFERRED COMPENSATION TRUST

Before a Change of Control, Interpublic must contribute to a Deferred Compensation Trust an amount equal to the then-present value of the sum of all benefits that would become payable under the Plan if Interpublic terminated all participants' employment without Cause immediately after the Change of Control. The amount to be contributed will be determined by an Outside Auditor engaged by Interpublic at Interpublic's expense.

For purposes of calculating the amount to be contributed to a Deferred Compensation Trust, the Outside Auditor will make the following assumptions:

- The discount rate will be the Plan Interest Rate for the year in which the Change of Control occurs, and
- Payment of the benefits described above will be due within 30 days after the Change of Control.

Assets that Interpublic or any Subsidiary contributes to the Deferred Compensation Trust are subject to the claims of the creditors of Interpublic or the Subsidiary (as the case may be) in the event of its bankruptcy or insolvency. The Deferred Compensation Trust will not change your status as a general unsecured creditor of Interpublic.

REDUCTION OF BENEFITS AFTER A CHANGE OF CONTROL

It is possible that some or all of the benefit you receive after a Change of Control will be treated as an "excess parachute payment" that is subject to a 20% excise tax under Section 4999 of the Tax Code. If an Outside Auditor determines that any amount payable to you under the Plan is reasonably likely to trigger the 20% excise tax, your benefit under the Plan will be whichever of the following amounts results in a larger net benefit to you, after taxes (as determined by the Outside Auditor):

- Your full benefit under the Plan, all or part of which might be subject to a 20% excise tax, or
- Your benefit under the Plan, reduced to the extent the Outside Auditor determines is necessary to avoid triggering the 20% excise tax.

Interpublic will engage and pay the fees for the Outside Auditor to perform these calculations.

MISCELLANEOUS

PLAN ADMINISTRATION AND REVIEW OF DECISIONS

The Plan's administrator is the MHRC. Before a Change of Control, the Plan's administrator has complete and exclusive discretionary authority and responsibility to administer and interpret the Plan's governing documents (including the authority to make findings of fact and to resolve ambiguities and inconsistencies in the Plan's language, and to correct any inadvertent omissions). All decisions of the Plan's administrator are considered to be final and controlling. Review by a court of any decision of the Plan's administrator will be subject to the following standard of review:

- Before a Change of Control, the standard of review will be the "arbitrary and capricious" standard, which means that the court will defer to the MHRC's decision (or the decision of any successor to the MHRC), and will not overturn that decision unless the court concludes that the decision cannot be supported by the relevant facts and applicable law.

- After a Change of Control, the standard of review will be "*de novo*," which means that the court may overturn the MHRC's decision (or the decision of any successor to the MHRC) if it disagrees with the decision.

The MHRC has authority to delegate any of its duties and responsibilities under the Plan as it deems appropriate. In addition, the MHRC may engage one or more persons to render advice with regard to any of its administration responsibilities. Any final decision by a delegate of the MHRC will be treated for purposes of the Plan as a decision of the MHRC.

PARTICIPATION AGREEMENT, AMENDMENT, AND TERMINATION

Your Participation Agreement sets forth specific terms relating to your benefit under the Plan. Your Participation Agreement, including any amendment to your Participation Agreement, is valid only if it is executed on behalf of Interpublic by Interpublic's Vice President, Global Compensation, or a member of the MHRC.

Although Interpublic intends to continue the Plan indefinitely, Interpublic reserves the right to amend or terminate the Plan and any Participation Agreement at any time, and from time to time, either retroactively or prospectively, without your consent. An amendment may cancel, or add additional vesting requirements for, any benefit that is not yet vested. However, unless necessitated by a change in applicable law, an amendment or termination may not —

- reduce the amount of your vested benefit as of the later of (a) the effective date of the amendment or termination or (b) the date the amendment or termination is adopted; or

- result in a change to the form or time for paying your benefit under the Plan, unless Interpublic determines, based on the advice of counsel, that a change in the form or time of payment will not trigger adverse tax consequences.

In addition, any amendment or termination that is adopted or becomes effective during the three years following a Change of Control may not take away any of your rights, or relieve Interpublic of any of its obligations under the Plan, including those set forth in the section entitled "Change of Control," above.

Subject to the restrictions set forth above, any amendment or termination may be adopted by resolution of the Compensation Committee. In addition, the MHRC —

- may make any amendment required to comply with federal or state law (including any tax law that could result in adverse tax consequences), or that is desirable to improve the administration of the Plan, if the amendment does not materially affect the level of benefits provided under the Plan to or on behalf of any participant; and
- has discretion to accelerate payment to the extent that Interpublic or the MHRC determines, with the advice of counsel, is permitted without violating the requirements of Section 409A of the Tax Code.

SUCCESSORS TO INTERPUBLIC

Interpublic shall require any successor to its business or its assets to assume the Plan expressly, absolutely, and unconditionally, and to administer the Plan in accordance with its terms. After a Change of Control, all references to Interpublic and its Subsidiaries shall be deemed to refer to Interpublic’s successor and its Subsidiaries.

COORDINATION WITH OTHER BENEFITS

Your benefit under the Plan is designed to be in addition to any benefits you earn under other benefit plans sponsored by Interpublic and its Subsidiaries. Except as expressly provided in another plan or in this Plan, your right to a benefit under the Plan will not affect the benefits under any other plan.

NATURE OF YOUR PLAN BENEFIT AND PLAN ASSETS

The obligation to pay your vested benefit under the Plan is a liability of Interpublic. Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation, and any assets that Interpublic or a Subsidiary sets aside to fund your vested benefit under the Plan, whether in a Deferred Compensation Trust or otherwise, will remain available to creditors of Interpublic or the Subsidiary (as the case may be) in the event of its bankruptcy or insolvency.

ASSIGNMENT AND ALIENATION

In general, your right to a benefit under the Plan (and the corresponding rights of your beneficiaries) may not be assigned, transferred, alienated, encumbered, or otherwise subject to lien. However, the Plan will comply with domestic relations orders that the Plan's administrator determines are "qualified domestic relations orders" under ERISA.

WITHHOLDING AND OTHER TAX CONSEQUENCES

Interpublic will deduct from amounts paid or due to a participant or beneficiary under the Plan all income, employment, excise and other taxes that it reasonably determines are required to be withheld by any government or government agency, including taxes on income that is currently subject to tax even though it is not currently paid or payable to you. All benefit amounts described in the Participation Agreement and Plan document are gross amounts, before reductions for withholding. You (or your beneficiaries) are responsible for satisfying any remaining tax obligations (including any tax or penalty due as a result of a failure to comply with Section 409A of the Tax Code; see "Compliance with Tax Code § 409A," below), to the extent that amounts withheld (if any) are insufficient.

AUTHORITY TO DETERMINE PAYMENT DATE

To the extent that any payment under the Plan may be made within a specified number of days on or after any date or the occurrence of any event, the date of payment shall be determined by Interpublic in its sole discretion, and not by any participant, beneficiary, or other individual.

COMPLIANCE WITH TAX CODE § 409A

Your benefit under the Plan is subject to Section 409A of the Tax Code, which imposes restrictions on deferred compensation arrangements like the Plan. Interpublic intends to operate, administer, and interpret the Plan in accordance with Section 409A. If the Compensation Committee or the MHRC determines in good faith that (a) any aspect of the Plan is inconsistent with the restrictions imposed by Section 409A (including guidance interpreting Section 409A) and (b) an amendment to the Plan could reduce or eliminate adverse tax consequences under Section 409A, the Compensation Committee or the MHRC may amend the Plan (including your Participation Agreement) without your consent to the extent that it determines, based on the advice of counsel, the amendment is necessary to reduce or eliminate such adverse tax consequences.

MAILING ADDRESS

After you terminate employment with Interpublic and its Subsidiaries, you will receive periodic correspondence related to your benefit (if any) under the Plan. It is your responsibility to notify Interpublic's Human Resources Department of any changes in your mailing address or in the mailing address of any of your beneficiaries (or contingent beneficiaries). Failure to update your address could delay payment of your vested benefit.

OVERPAYMENTS

If an overpayment of benefits is made under the Plan, you will be required to return the overpaid amount, and Interpublic may pursue any legal or equitable avenue to effectuate recovery.

INCAPACITY AND MINOR STATUS

If any individual entitled to a payment under the Plan is a minor, or is physically or mentally unable to care for his or her affairs, and another person or institution is maintaining custody over the individual entitled to receive the payment, payments under the Plan may be made, for the benefit of the individual entitled to payment, to the custodial person or institution, as applicable. If a court has appointed a guardian or representative of the individual entitled to payment, payment will be made to the guardian or representative. Any such payment will discharge the Plan's liability, as if the payment were made to the individual entitled to payment.

CONTINUED EMPLOYMENT

Nothing in the Plan gives you the right to continue in the employment or service of Interpublic or its Subsidiaries, or to receive annual compensation in any particular amount. Conversely, nothing in the Plan gives Interpublic or any Subsidiary the right to require you to remain in its employ.

LIABILITY LIMITED

Except as and to the extent otherwise provided by applicable law, no liability will attach to or be incurred by the shareholders, directors, officers, or employees of Interpublic and its Subsidiaries under or by reason of any of the terms and conditions of the Plan.

TITLES AND HEADINGS NOT TO CONTROL

The titles and headings of sections of the Plan are for convenience of reference only. In the event of any conflict, the text of the Plan, rather than the titles or headings, will control.

SEVERABILITY

If any provision of the Plan is held illegal or invalid for any reason, other provisions will be unaffected. The Plan will be construed as if any illegal or invalid provision were never inserted.

VARIATIONS IN PLAN TERMS

Your individual Participation Agreement may contain provisions that conflict with or are otherwise inconsistent with the terms set forth in this plan document. If so, the terms of your Participation Agreement will control. For the avoidance of doubt, however, this plan document applies to the extent that any issue is not addressed in your Participation Agreement: silence in your Participation Agreement will not be construed as a conflict or inconsistency.

COMPLETE STATEMENT OF THE PLAN

This pamphlet and your Participation Agreement are a complete statement of your rights under the Plan. Any question regarding your rights under the Plan must be resolved by applying the terms of the Plan document and your Participation Agreement. External evidence of intent or meaning will not be relevant.

CLAIMS AND APPEALS

The Plan has specific procedures for making a claim for benefits. You must exhaust this claim and appeal process before you can file a lawsuit in court. The claim and appeal process has two levels: (1) the initial claim and (2) review on appeal. They operate as follows:

INITIAL CLAIMS

1. Any benefit claim must be in writing and delivered to the MHRC, at the following address:

IPG Management Human Resources Committee
1114 Avenue of the Americas, 19th Floor
New York, NY 10036
Attn: Executive Vice President, Chief Strategy and Talent Officer

2. The MHRC will generally review and decide each claim within 90 days after the claim is received. If the MHRC needs more time to decide your claim, the MHRC will notify you, and may extend the review period by up to an additional 90 days.

- Ø The time period within which the MHRC must decide your claim starts on the date the MHRC receives your claim, even if you do not submit all of the information needed to resolve your claim. However, if the MHRC needs more information to resolve your claim, you and the MHRC may agree to extend the period for making the decision. If you do not provide any requested information by the deadline that the MHRC sets, the MHRC will decide your claim based on the information it has as of the deadline. This might result in your claim being denied.

- Ø If your claim is not resolved within the time periods described above, you may consider your claim to have been denied. You may (a) contact the MHRC to determine whether your claim has, in fact, been denied, (b) file an appeal with the MHRC (following the procedures set forth in the “Appeals” section, below), or (c) bring a lawsuit under Section 502(a) of ERISA.

3. When your claim is decided, the MHRC will issue a written decision. If your claim is wholly or partially denied, the decision will include —

- Ø the specific reason or reasons for denial of your claim;

- Ø references to the specific Plan provisions upon which the denial is based;

- Ø a description of any additional material or information necessary to perfect your claim, and an explanation of why the material or information is necessary;

- Ø an explanation of the appeal procedures and the applicable time limits; and

- Ø a statement of your right to file a lawsuit under Section 502(a) of ERISA if your claim is denied after the MHRC reviews its initial decision.

APPEALS

1. Within 60 days after you receive a written notice of denial of your claim (or the end of the time period for deciding your claim), you may file a written request with the MHRC, at the address shown above, for a full and fair review of its initial decision (an “appeal”).

2. In connection with a request for review, you may —

- Ø submit written comments, documents, records and other information relating to your claim;

and

- Ø receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information that the MHRC determines is relevant to your claim.

3. The review on appeal will take into account all comments, documents, records and other information that you submit, regardless of whether the information was considered in the initial benefit determination. The MHRC will generally decide your appeal within 60 days after your request for review is received. If the MHRC needs more time, the MHRC will notify you, and the MHRC may extend the review period by up to an additional 60 days.

   - Ø If the MHRC needs more information to decide your appeal, the period within which the MHRC must decide your appeal will automatically be extended. The length of the extension will equal the number of days from when the MHRC sends you a request for additional information until the earlier of (a) the date the MHRC receives the requested information or (b) the due date that the MHRC establishes for providing that information.

   - Ø If your appeal is not resolved within the time periods described above, you may consider your appeal to have been denied. You may (a) contact the MHRC to determine whether your appeal has, in fact, been denied and/or (b) bring a lawsuit under Section 502(a) of ERISA.

4. When your appeal is decided, the MHRC will render a written decision. If your appeal is wholly or partially denied, the decision will include —

   - Ø the specific reason or reasons for the decision;

   - Ø references to the specific Plan provisions upon which the decision is based;

   - Ø an explanation of your right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information that the MHRC determines is relevant to your claim for benefits; and

   - Ø a statement of your right to bring a civil action under Section 502(a) of ERISA.

OTHER RULES AND RIGHTS REGARDING CLAIMS AND APPEALS

- You may authorize a representative to pursue any claim or appeal on your behalf. The MHRC may establish reasonable procedures for verifying that any representative has in fact been authorized to act on your behalf.

- The Plan will be interpreted and enforced in accordance with the applicable provisions of ERISA and federal tax laws that apply to nonqualified deferred compensation. To the extent that state-law issues arise, New York law (exclusive of choice of law provisions) will govern.

GLOSSARY OF KEY TERMS

Business Unit	The business unit or units of Interpublic by which you are employed.
Cause	Cause for your employer to terminate your employment with Interpublic and its Subsidiaries, which will exist if — • you materially breach a provision in an employment agreement between you and Interpublic or a Subsidiary, and you do not cure that breach within 15 days after you receive written notice from your employer of the breach; • without written approval from Interpublic's Board of Directors or the person to whom you report directly, you (a) misappropriate funds or property of Interpublic or a Subsidiary or (b) attempt to secure any personal profit related to the business of Interpublic or a Subsidiary; • you engage in conduct that Interpublic determines constitutes fraud, material dishonesty, gross negligence, gross malfeasance, insubordination, or willful misconduct in the performance of your duties as an employee of Interpublic or a Subsidiary, or you willfully fail to follow Interpublic's code of conduct, unless your actions (or failure to act) are taken in good faith and do not cause material harm to Interpublic or a Subsidiary; • you refuse or fail to attempt in good faith (a) to perform your duties as an employee of Interpublic or a Subsidiary or (b) to follow a reasonable good-faith direction of Interpublic's Board of Directors or the person to whom you report directly, and you do not cure the refusal or failure within 15 days after you receive written notice from your employer of the refusal or failure; • you commit, or are formally charged or indicted for allegedly committing, a felony or a crime involving dishonesty, fraud, or moral turpitude; or • you engage in activities that are prohibited by Interpublic's policy prohibiting discrimination or harassment based on age, gender, race, religion, disability, national origin or any other protected category.
Change of Control	A change in (a) the ownership or effective control of Interpublic or (b) the ownership of a substantial portion of Interpublic's assets, each as defined in rules and regulations under Section 409A of the Tax Code. Subject to certain limited exceptions, a Change of Control of Interpublic would generally occur if — • a person or group acquires more than 50% of the total fair market value or voting power of Interpublic's stock; • during a 12-month period, a person or group acquires 30% or more of the total voting power of Interpublic's stock; • during a 12-month period, a person or group acquires 40% or more of Interpublic's assets (determined based on gross fair market value); or • during a 12-month period, a majority of Interpublic's Board of Directors is replaced by directors whose appointment or election is not endorsed by a majority of the members of the Board before the appointment or election.
Compensation Committee	The Compensation and Leadership Talent Committee of Interpublic's Board of Directors, or its successor.

Deferred Compensation Trust	A trust agreement to which Interpublic is a party that is established to fund benefits under the Plan. The terms of any Deferred Compensation Trust are subject to the restrictions set forth in Section 409A of the Tax Code, and assets that Interpublic or a Subsidiary sets aside in any Deferred Compensation Trust will be subject to the claims of creditors of Interpublic or the Subsidiary (as the case may be) in the event of its bankruptcy or insolvency.
ERISA	The Employee Retirement Income Security Act of 1974, as amended.
ESBA	An Executive Special Benefit Agreement with Interpublic.
Executive Defined Benefit Arrangement	An arrangement sponsored by Interpublic or a Subsidiary that is treated under Section 409A of the Tax Code as a “nonaccount balance plan.” In general, this includes any non-tax-qualified deferred compensation arrangement under which your benefit is not the balance credited to an account in your name. An ESBA is another Executive Defined Benefit Arrangement.

Good Reason	• You will be considered to have resigned for Good Reason only if: ø You notify Interpublic in writing that one or more of the "triggering circumstances" listed below has occurred within 90 days after the circumstance(s) first occurred; ø The triggering circumstance(s) is (are) not remedied within 30 days after Interpublic receives the notice required by the preceding bullet; ø You did not provide notice of your intent to resign at any time before the triggering circumstance(s) first occurred; and ø Your Termination of Employment is effective as soon as practicable (and no more than 10 days) after the earlier of (1) the end of the 30-day cure period described above or (2) the date your Business Unit provides written notice of its express waiver of the cure period. • The following are the "triggering circumstances": ø Interpublic or a Subsidiary materially reduces your rate of base salary; ø An action by Interpublic or a Subsidiary results in your authority, duties, or responsibilities being materially diminished; ø An action by Interpublic or a Subsidiary results in material diminution in your reporting structure (for example, insertion of a new position between you and the position to which you report); ø Interpublic or a Subsidiary materially diminishes the budget over which you retain authority; ø Your principal place of work is moved more than 50 miles outside the city in which you are principally based, unless (a) you make the relocation decision or (b) you are notified in writing that Interpublic or your employer is seriously considering such a relocation and do not object in writing (based on a reasonable concern) within 10 days after you receive the written notice; or ø Interpublic or a Subsidiary materially breaches any employment agreement between you and your employer.
Interpublic	The Interpublic Group of Companies, Inc., and any successor to The Interpublic Group of Companies, Inc.
MHRC	Interpublic's Management Human Resources Committee.
Outside Auditor	Either of the following firms: • The outside auditing firm retained by Interpublic in the last fiscal year that ends before a Change of Control, or • A national auditing firm acceptable to at least 75% of the Plan participants who are actively working for Interpublic or a Subsidiary immediately before a Change of Control.
Participation Agreement	The written agreement between you and Interpublic that documents the terms of your participation in the Plan.

Plan	The Interpublic Senior Executive Retirement Income Plan, as set forth in this pamphlet and your Participation Agreement, each as in effect and amended from time to time.
Plan Interest Rate	The average of the 10-year and 20-year U.S. Treasury yield curve annual rates (also known as “constant maturity rates”) as of the last business day of the immediately preceding calendar year, as published by the U.S. Department of Treasury’s Office of Debt Management.
Severance Completion Date	The last day of the calendar month that includes the end of the payroll period for which your last Severance Payment (if any) is paid. If you are not eligible to receive Severance Pay, or you receive Severance Pay in a lump sum, your Severance Completion Date is the date of your Termination of Employment.
Severance Pay	A payment or payments made under a severance plan or policy or an agreement with Interpublic or a Subsidiary upon or after your Termination of Employment as compensation for (a) terminating your employment involuntarily without Cause or (b) your resignation for Good Reason.
Subsidiary	Any corporation or other entity that is required to be combined with Interpublic as a single employer under Section 414(b) or (c) of the Tax Code. In general, this means Interpublic and all other entities of which Interpublic directly or indirectly owns 80 percent or more of the combined voting power or total value of shares.
Tax Code	The Internal Revenue Code of 1986, as amended.
Termination of Employment	The date your employment with Interpublic and its Subsidiaries ends, including the date on which you die, retire, quit, or are discharged, determined by Interpublic in accordance with Treas. Reg. § 1.409A-1(h). Subject to the next sentence, if you are on leave of absence, your Termination of Employment will automatically be deemed to have occurred on the later of (a) the first day that is more than six months after your leave started or (b) the first day after all statutory and contractual rights to reemployment with Interpublic or a Subsidiary expire. If the reason for your leave of absence is a medically determinable physical or mental condition that can be expected to last for six consecutive months or longer, and the condition causes you to be unable to perform the duties of your position or a substantially similar position, the six-month period described in clause (a) of the preceding sentence will be extended to 29 months. A sale of assets by Interpublic or a Subsidiary to an unrelated buyer that results in your working for the buyer (or one of its affiliates) will not, by itself, constitute a Termination of Employment unless Interpublic (with the buyer’s written consent) so provides in writing 60 or fewer days before the closing of the sale.
Top-50 Employee	A “specified employee” under Section 409A of the Tax Code, determined by Interpublic in accordance with Treas. Reg. § 1.409A-1(i). In general, as long as Interpublic is a public company (or, if Interpublic is acquired, the parent company is a public company), you will be a “specified employee” under Section 409A of the Tax Code if you are one of the 50 highest-paid officers of Interpublic (or, if Interpublic is acquired, the corporate parent) and its Subsidiaries.

Exhibit A: Sample Release Language

Release of Claims. By signing this Agreement and Release, Employee, on behalf of him/herself and his/her current, former, and future heirs, executors, administrators, attorneys, agents and assigns, hereby fully and without limitation releases, covenants not to sue, and forever discharges Employer, The Interpublic Group of Companies, Inc. (“Interpublic”), and their respective parents, subsidiaries, and affiliates, officers, directors, employees, shareholders, members, agents, attorneys, trustees, fiduciaries, representatives, benefit plans and plan administrators, successors and/or assigns, and all persons or entities acting by, through, under, or in concert with any or all of them (collectively, the “Releasees”) from all rights, claims, actions and causes of action, whether in law or equity, suits, damages, losses, attorneys’ fees, costs, and expenses, of whatever nature whatsoever that Employee now has or has ever had, whether known or unknown or based on facts now known or unknown, fixed or contingent, suspected or unsuspected, against the Releasees, occurring from the beginning of time up to and including the date that Employee executes this Agreement and Release that arise out of, or are in any way related to Employee’s employment by Employer or the termination of Employee’s employment with Employer.

Without limiting the foregoing, Employee understands and agrees that the foregoing release provisions include, without limitation:

a. any claims for wrongful termination, defamation, invasion of privacy, intentional infliction of emotional distress, or any other common law claims;

b. any claims for the breach of any written, implied or oral contract between Employee and Employer, including but not limited to any contract of employment;

c. any claims of discrimination, harassment or retaliation based on such things as age, national origin, ancestry, race, religion, sex, sexual orientation, or physical or mental disability or medical condition;

d. any claims for payments of any nature, including but not limited to wages, overtime pay, vacation pay, severance pay, commissions, bonuses and benefits or the monetary equivalent of benefits, but not including any claims for unemployment or workers’ compensation benefits, or for the consideration being provided to Employee pursuant to Paragraph 2 of this Agreement; and

e. all claims that Employee has or that may arise under the common law and all federal, state and local statutes, ordinances, rules, regulations and orders, including but not limited to any claim or cause of action based on the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Civil Rights Acts of 1866, 1871 and 1991, the Rehabilitation Act of 1973, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, Executive Order 11246, and any state laws governing employee rights, *[if Employer is located in California:* including, but not limited to, the California Labor Code, Section 1542 of the Civil Code of California*]* as each of them has been or may be amended.

[if Employer is located in California: Section 1542 of the Civil Code of California provides:

A general release does not extend to claims, which the creditor does not

> know or suspect to exist in his/her favor at the time of executing the release, which if known by him/her must have materially affected his settlement with the debtor.

Employee acknowledges that the above release covers all claims described in this Paragraph, whether such claims are known or unknown and suspected or unsuspected. Employee further acknowledges that he/she understands the significance and consequences of this release and of this specific waiver of Section 1542 of the Civil Code of California.*]*

This Agreement and Release shall be binding upon and inure to the benefit of Employee and the Releasees and any other individual or entity who may claim any interest in the matter through Employee. Employee also acknowledges that he/she has not assigned any of his/her rights to make the aforementioned claims or demands. Employee also acknowledges and represents that he/she has not filed nor will he/she file any lawsuits based on claims or demands that he/she has released herein.

INTERPUBLIC EXECUTIVE SEVERANCE PLAN

Effective August 1, 2014

TABLE OF CONTENTS

Article 1. INTRODUCTION

1.1. **Establishment and Purpose.**

This Executive Severance Plan (the “Plan”) is established to provide severance and other welfare benefits for eligible executives of Interpublic and its Subsidiaries in the event that their employment is terminated either (a) by Interpublic or a Subsidiary for a reason other than Cause or (b) by the executive for Good Reason. The Plan is an unfunded welfare plan maintained primarily for the purpose of providing severance and other welfare benefits to a select group of management and highly compensated employees.

1.2. **Effective Date.**

The Plan has been in effect since June 1, 2007. Pursuant to its authority under Section 7.4(a) hereof, the Administrative Committee has determined that it is desirable to adopt a new restatement of the Plan in order to improve the administration of the Plan and make certain clarifications. This restatement is effective August 1, 2014.

Article 2. DEFINITIONS AND CONSTRUCTION

2.1. **Definitions.**

When their initial letter(s) are capitalized, the following words and phrases have the following meanings unless the context clearly indicates that a different meaning is intended:

(a)“***Administrative Committee***” means Interpublic’s Management Human Resources Committee.

(b)“***Base Salary***” for any Participant, expressed as an annual amount, means the Participant’s annual base salary in effect for the calendar year in which his Termination Date occurs; provided that if the Participant’s Notice Date or Termination Date occurs within 24 months after a Change of Control, his Base Salary for purposes of the Plan shall not be less than his annual base salary for the calendar year in which such Change of Control occurred, determined on the basis of the Participant’s annual salary in effect immediately prior to such Change of Control.

(c)“***Board of Directors***” means the Board of Directors of Interpublic.

(d)“***Cause***” means, with respect to any Participant:

(1) A material breach by the Participant of a provision in an employment agreement with Interpublic or a Subsidiary that, if capable of being cured, has not been cured within 15 days after the Participant receives written notice from his Employer of such breach;

(2) Misappropriation by the Participant of funds or property of Interpublic or a Subsidiary;

(3) Any attempt by the Participant to secure any personal profit related to the business of Interpublic or a Subsidiary that is not approved in writing by the Board of Directors or by the person to whom the Participant reports directly;

(4) Fraud, material dishonesty, gross negligence, gross malfeasance, or insubordination by the Executive, or willful (A) failure by the Participant to follow the code of conduct of Interpublic or a Subsidiary or (B) misconduct by the Participant in the performance of his duties as an employee of Interpublic or a Subsidiary, excluding in each case any act (or series of acts) taken in good faith by the Participant that does not (and in the aggregate do not) cause material harm to Interpublic or a Subsidiary;

(5) Refusal or failure by the Executive to attempt in good faith to perform the Participant's duties as an employee or to follow a reasonable good-faith direction of the Board of Directors or the person to whom the Participant reports directly that has not been cured within 15 days after the Participant receives written notice from his Employer of such refusal or failure;

(6) Commission by the Participant, or a formal charge or indictment alleging commission by the Participant, of a felony or a crime involving dishonesty, fraud, or moral turpitude; or

(7) Conduct by the Participant that is prohibited by the policy of Interpublic or a Subsidiary prohibiting discrimination or harassment based on age, gender, race, religion, disability, national origin or any other protected category.

(e)"***Change of Control***" means:

(1) Subject to paragraphs (2) and (3), below, the first to occur of the following events:

(A) Any person (within the meaning of sections 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "1934 Act")) becomes the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of stock that, together with other stock held by such person, possesses more than 50 percent of the combined voting power of Interpublic's then-outstanding stock;

(B) Any person (within the meaning of sections 13(d) and 14(d) of the 1934 Act) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person) ownership of stock of Interpublic possessing 30 percent or more of the combined voting power of Interpublic's then-outstanding stock;

(C) Any person (within the meaning of sections 13(d) and 14(d) of the 1934 Act) acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person) assets from Interpublic that have a total gross fair market value equal to 40 percent or more of the total gross fair market value of all of the assets of Interpublic immediately prior to such acquisition or acquisitions (where gross fair market value is determined without regard to any associated liabilities); or

(D) During any 12-month period, a majority of the members of the Board of Directors is replaced by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors before the date of their appointment or election.

(2) A Change of Control shall not be deemed to occur by reason of:

(A) The acquisition of additional control of Interpublic by any person or persons acting as a group that is considered to “effectively control” Interpublic (within the meaning of guidance issued under section 409A of the Code) or

(B) A transfer of assets to any entity controlled by the shareholders of Interpublic immediately after such transfer, including a transfer to (i) a shareholder of Interpublic (immediately before such transfer) in exchange for or with respect to its stock, (ii) an entity, 50 percent or more of the total value or voting power of which is owned (immediately after such transfer) directly or indirectly by Interpublic, (iii) a person or persons acting as a group that owns (immediately after such transfer) directly or indirectly 50 percent or more of the total value or voting power of all outstanding stock of Interpublic, or (iv) an entity, at least 50 percent of the total value or voting power of which is owned (immediately after such transfer) directly or indirectly by a person described in clause (iii), above.

(3) Notwithstanding any other provision of this Section 2.1(e), a Change of Control shall not be deemed to have occurred unless the relevant facts and circumstances give rise to a change in the ownership or effective control of Interpublic, or in the ownership of a substantial portion of the assets of Interpublic, within the meaning of section 409A(a)(2)(A)(v) of the Code.

(f)“***COBRA***” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(g)“***Code***” means the Internal Revenue Code of 1986, as amended.

(h)“***Commencement Date***” means, for any Participant, Interpublic’s first semi-monthly pay date that occurs after the Participant’s Termination Date.

(i)“***Designated Number***” means, for any Participant, the number of months – 6, 9, 12, 18, or 24 – that the Administrative Committee or its designee communicates to the Participant in writing. The Designated Number for Interpublic’s Chief Executive Officer and any other executive officer (within the meaning of the Interpublic Group of Companies, Inc. 2009 Performance Incentive Plan or any successor thereto) shall be approved by the Compensation and Leadership Talent Committee of the Board of Directors, or such committee’s designee.

(j)“***Dismissed***” means, with respect to any Participant, that:

(1) The Participant voluntarily terminates his employment with Interpublic and its Subsidiaries for Good Reason; or

(2) The Participant’s employment with Interpublic and its Subsidiaries is terminated involuntarily (within the meaning of Treas. Reg. § 1.409A-1(n)(1)) for any reason other than for Cause.

(k)“***Eligible Executive***” means an employee of Interpublic or a Subsidiary who is designated in writing by the Administrative Committee as a member of the select group of management or highly paid employees of Interpublic and its Subsidiaries who are eligible to participate in the Plan.

(l)“***Employer***” means, with respect to a Participant, Interpublic or the Subsidiary of Interpublic that employs the Participant immediately before the Participant’s Termination

Date.

(m)“***ERISA***” means the Employee Retirement Income Security Act of 1974, as amended.

(n) “***Good Reason***.”

(1) A Participant shall be deemed to resign for Good Reason if and only if he resigns by reason of a Covered Action (as defined in paragraph (2), below), and the conditions of paragraph (3), below, are satisfied.

(2) A “***Covered Action***” for a Participant means one of the following events:

(A) Interpublic or a Subsidiary materially reduces the Participant’s Base Salary;

(B) An action by Interpublic or a Subsidiary results in a material diminution in the Participant’s authority, duties, or responsibilities;

(C) An action by Interpublic or a Subsidiary results in a material diminution in the Participant’s reporting structure, such as insertion of a new position between the Participant and the position to which the Participant reports;

(D) Interpublic or a Subsidiary materially diminishes the budget over which the Participant retains authority;

(E) The Participant’s principal place of work is moved to a location more than 50 miles outside the city in which he is principally based, unless (i) the relocation decision is made by the Participant or (ii) the Participant is notified in writing that Interpublic or his Employer is seriously considering such a relocation and the Participant does not object in writing (based on a reasonable concern) within 10 days after he receives such written notice; or

(F) Interpublic or a Subsidiary materially breaches any employment agreement between the Participant and his Employer.

(3) A Participant shall not have Good Reason to resign as a result of a Covered Action unless:

(A) Within the 90-day period immediately following the date on which such Covered Action first occurs, the Participant notifies his Employer in writing that such Covered Action has occurred;

(B) Such Covered Action is not remedied within the 30-day period immediately following the date on which the Participant’s Employer receives the notice provided in accordance with subparagraph (A), above;

(C) The Participant did not provide notice of his intent to resign at any time before the Covered Action occurred; and

(D) The Participant’s Termination Date occurs as soon as practicable (and no more than 10 days) after the earlier of (1) the end of the cure period described in subparagraph (B), above, or (2) the date the Participant’s Employer provides written notice of its express waiver of such cure period.

(o)“***Interpublic***” means The Interpublic Group of Companies, Inc., and any successor thereto.

(p)“***Notice Date***” means, for any Participant, the date Interpublic or a Subsidiary provides written notice to the Participant that his employment with Interpublic and its Subsidiaries will be terminated involuntarily as of a specified Termination Date in the future.

(q)“***Other Arrangement***” means (1) any employment agreement with Interpublic or a Subsidiary or (2) any plan, program, policy or other arrangement maintained by Interpublic or a Subsidiary.

(r)“***Participant***” means an Eligible Executive who has become a participant in the Plan under Article 3.

(s)“***Plan***” means the Interpublic Executive Severance Plan, as set forth herein and subsequently amended from time to time.

(t)“***Salary Continuation Benefit”*** means the benefit prescribed by Section 4.1.

(u)“***Section***” means a section of this Plan as in effect from time to time.

(v)“***Severance Period***” means, for any Participant, the period starting on the Participant’s Notice Date (if Interpublic or a Subsidiary provides written notice to the Participant that his employment will be terminated involuntarily) or the Participant’s Termination Date (if he resigns for Good Reason or written notice of the Participant’s involuntary termination is not provided) and ending on the last day of the calendar month that is the Designated Number of months after such Notice Date or Termination Date, as applicable.

(w)“***Subsidiary***” means, with respect to Interpublic, any corporation or other entity that is required to be combined with Interpublic as a single employer under section 414(b) or (c) of the Code.

(x)“***Termination Date***” means, for any Participant, the date of the Participant’s “separation from service” (within the meaning of section 409A(a)(2)(A)(i) of the Code) with Interpublic and its Subsidiaries, as determined by Interpublic. For purposes of the Plan:

(1) A Participant who is on a bona fide leave of absence and does not have a statutory or contractual right to reemployment shall be deemed to have had a “separation for service” on the first date that is more than six months after the commencement of such leave of absence. However, if the leave of absence is due to any medically determinable physical or mental impairment that can be expected to last for a continuous period of six months or more, and such impairment causes the Participant to be unable to perform the duties of his position of employment or any substantially similar position of employment, the preceding sentence shall be deemed to refer to a 29-month period rather than to a six-month period. For the avoidance of doubt, a leave of absence shall be treated as bona fide only if there is a reasonable expectation that the Participant will return from such leave; and

(2) A sale of assets by Interpublic or a Subsidiary to an unrelated buyer that results in the Participant working for the buyer or one of its affiliates shall not, by itself, constitute a “separation from service” unless Interpublic, with the buyer’s written consent, so provides in writing 60 or fewer days before the closing of such sale.

2.2. **Rules of Construction.**

For purposes of the Plan, unless the contrary is clearly indicated by the context:

(a) The use of the masculine gender shall also include within its meaning the feminine and vice versa;

(b) The use of the singular shall also include within its meaning the plural and vice versa;

(c) The word "include" shall mean to include, but not to be limited to;

(d) Any reference to a statute or section of a statute shall further be a reference to any successor or amended statute or section, and any regulations or other guidance of general applicability issued thereunder; and

(e) "As soon as practicable," with respect to any date or event, shall mean on the earliest administratively practicable date after the relevant date or event, but no later than (1) the last day of the calendar year in which the relevant date or event occurs or (2) the 90th day following the occurrence of the relevant date or event, whichever occurs later. Such earliest administratively practicable date shall be determined by Interpublic in its sole discretion.

Article 3. PARTICIPATION

3.1. **Commencing Participation.**

An Eligible Executive shall become a Participant in the Plan as of the later of (a) the date he becomes an Eligible Executive or (b) June 1, 2007.

3.2. **Ending Participation.**

An individual who becomes a Participant shall remain a Participant until the date the last required installment of his Salary Continuation Benefit (if any) and any payment required by Section 4.2 is paid.

Article 4. SEVERANCE BENEFITS

4.1. **Salary Continuation Benefit.**

(a) <u>Eligibility and Amount</u>. If a Participant is Dismissed and timely executes and submits to Interpublic the agreement required by Article 5, Interpublic shall pay to the Participant the Salary Continuation Benefit prescribed by this Section 4.1. Except as otherwise specified by the provisions of subsection (c), below, and Sections 4.4, 4.5, and 5.1, the total amount of such Salary Continuation Benefit shall equal the excess of (1) the Participant's Base Salary for his Designated Number of months over (2) any base salary paid to the Participant for the period starting on his Notice Date (if applicable) and ending on his Termination Date.

(b) <u>Form and Time of Payment of Salary Continuation Benefit</u>.

(1) Interpublic shall pay the Salary Continuation Benefit required by subsection (a), above, in semi-monthly installments (without interest); provided, however, that if the Participant is Dismissed within two years after a Change of Control, such

Salary Continuation Benefit shall be paid in a lump sum. Before withholding, each installment shall be equal to one-half of the Participant's Base Salary for one month, except that any residual amount in respect of a period of less than one-half of a month shall be paid together with the last installment.

(2) Except as required by Section 4.3, payment of the Salary Continuation Benefit shall commence on or as soon as practicable after the Participant's Commencement Date, and no more than 60 days after the Participant's Termination Date. If the first payment is made on a date that is after the Commencement Date, the first installment shall include a make-up payment equal to the sum of the semi-monthly installments that would have been paid to the Participant before the date the first installment is actually paid if the first installment had been paid on the Commencement Date, without interest. Each subsequent payment shall be made in accordance with Interpublic's standard semi-monthly payroll schedule.

(c) Employment with Another Interpublic Agency. If a Participant is Dismissed but is later hired or rehired by Interpublic or a Subsidiary, the amount of each remaining semi-monthly payment required by subsections (a) and (b), above, shall be reduced (but not below zero) by the amount of the base salary payable to the Participant for the applicable semi-monthly pay period under the terms of his re-employment.

(d) Death. If a Participant dies after being Dismissed or being notified that he will be Dismissed, but before receiving his entire Salary Continuation Benefit, Interpublic shall pay to the Participant's estate an amount equal to the portion of the Participant's Salary Continuation Benefit that has not yet been paid to the Participant. Such payment shall be made in a lump sum (without any discount or interest to reflect the time value of money) as soon as practicable after the Participant's death. For purposes of this Section 4.1(d), if the Participant's death occurs before his Termination Date, the date of his death shall be treated as his Termination Date.

(e) Separate Payments. For purposes of section 409A of the Code, each installment required by this Section 4.1 shall be treated as a separate payment.

4.2. **Cash in Lieu of Continuing Medical, Dental, and Vision Benefits.**

If a Participant is Dismissed and timely executes and submits to Interpublic the agreement required by Article 5, Interpublic shall make cash payments to the Participant in lieu of continuing medical, dental, and vision benefits, in accordance with the following provisions:

(a) Subject to the provisions of Sections 4.4, 4.5, and 5.1, the amount of the payment for each month from the first month that begins after the Participant's Termination Date through the last day of the Participant's Severance Period shall equal 167 percent of the excess of:

(1) The aggregate premium or premiums that the Participant would be required to pay for medical, dental, and vision coverage for such month at the level elected by the Participant in accordance with the terms of the applicable plan or plans, purchased through COBRA continuation coverage, over

(2) The active employee rate for such coverage for such month. The "active employee rate" means the rate charged to an active employee who holds the position that the Participant held (or, if none, the employee who holds the position most nearly comparable to the position that the Participant held) immediately before his Termination Date for the same level of coverage under such plan or plans.

(b) Except as required by Section 4.3, the payments required by this Section 4.2 shall be made in quarterly installments (with each installment equal to the sum of the amount prescribed by paragraph (a), above, for the next three months, but not for any month after the earliest date described in paragraph (c), below), starting on the same date as the Salary Continuation Benefit. For purposes of section 409A of the Code, each installment required by this Section 4.2(b) shall be treated as a separate payment.

(c) Interpublic shall not be required to make any payment to or on behalf of a Participant pursuant to this Section 4.2 for any month after the earliest of:

(1) The last day of the Participant's Severance Period;

(2) The Participant's death;

(3) The first day after the Participant's Termination Date on which he (I) commences employment (or re-employment) with Interpublic a Subsidiary or (II) becomes eligible to be covered by another employer's plan (or plans) providing medical benefits by reason of being employed by such other employer; or

(4) The Participant's failure to provide, on or before a reasonable deadline (of not less than 30 days) specified by Interpublic in a written notice that Interpublic provides to the Participant at least 30 days in advance, documentation establishing that (I) the Participant has purchased medical, dental, and/or vision coverage (as applicable) at the level on which the amount of any prior payments pursuant to this Section 4.2 were based, and (II) such coverage remains in effect when the Participant provides such documentation.

4.3. **Delay of Payment to Specified Employees.**

(a) Payments under the Plan to a Participant who is a "specified employee" (as defined by Interpublic in accordance with Treas. Reg. § 1.409A-1(i)) as of his Termination Date shall be subject to the six-month delay required by Section 409A(a)(2)(B)(i). Such six-month delay shall not be required with respect to any payment that is exempt from Section 409A by reason of the "short-term deferral" rule described in Treas. Reg. § 1.409A-1(b)(4), the "two-year, two-time" rule described in Treas. Reg. § 1.409A-1(b)(9) (as applicable), or another exemption.

(b) To the extent that any payment under the Plan is subject to the six-month delay described in subsection (a), above, such payment shall be made on the later of –

(1) Interpublic's first semi-monthly pay date for the seventh month after the Participant's Termination Date (or, if earlier, as soon as practicable after the Participant's death), or

(2) The date when such payment would otherwise be due in accordance with Section 4.1 or 4.2, as applicable.

Interest shall not be added to any payment that is delayed by reason of the application of this Section 4.3.

4.4. **Non-duplication, Coordination, and Right to Change Benefit Plans**

(a) No provision of this Plan shall require (or be interpreted to require) Interpublic or any Subsidiary to duplicate any payment or other compensation or benefit that a Participant is entitled to receive under any Other Arrangement.

(b) The amount of the Salary Continuation Benefit payment required by Section 4.1 for each pay period (determined without regard to any delay in payment) shall be reduced dollar-for-dollar (but not below zero) by the amount of any salary continuation or similar severance payment that the Participant is entitled to receive for the applicable semi-monthly pay period (determined without regard to any delay in payment) pursuant to any Other Arrangement. If the Plan or an Other Arrangement provides for a salary continuation or similar severance benefit paid in a form other than semi-monthly installments, such benefit shall be expressed for purposes of applying this Section 4.4(b) as an equivalent benefit payable in semi-monthly installments, without regard to any delay in payment and without any adjustment for interest. For example, for purposes of applying this Section 4.4(b):

(1) A lump-sum severance payment equal to 12 months' base salary shall be treated as if it were paid for 12 months in 24 semi-monthly installments, each equal to $^{1}/_{24}$th of the Participant's annual base salary, commencing on the date prescribed by the Other Arrangement;

(2) A severance benefit payable in monthly installments shall be treated as if it were paid in semi-monthly installments, with each semi-monthly installment equal to one-half of the monthly installment required by the Other Arrangement; and

(3) If payment to a Participant is delayed by reason of Section 4.3, the amount of the Participant's Salary Continuation Benefit payment required by Section 4.1 for each pay period shall be determined as if payments commenced on the Commencement Date. Any delay of payment required by an Other Arrangement shall be similarly disregarded.

(c) The amount of any payment required by Section 4.2 for any quarter (determined without regard to any delay in payment) shall be reduced dollar-for-dollar (but not below zero) by the amount of any reimbursement or allowance for medical, dental, or vision benefit premiums (including COBRA premiums) that the Participant is entitled to receive for such quarter (determined without regard to any delay in payment) pursuant to any Other Arrangement.

(d) Unless expressly provided otherwise, no Other Arrangement involving a Participant that is executed after the Participant becomes an Eligible Executive shall be interpreted to change the form or time of payment of any benefits that such Participant had a legally binding right to receive under the Plan before execution of such Other Arrangement.

(e) Subject to this Section 4.4, the benefits provided under the Plan (after reduction pursuant to subsections (b) and (c), above) shall be in addition to any compensation or benefits the Participant is eligible to receive under any Other Arrangement.

(f) No provision of this Plan shall restrict the ability of Interpublic or any Subsidiary to amend, suspend, or terminate any or all of its employee benefit plans and programs (not including this Plan) from time to time, or prevent any such amendment, suspension, or termination from affecting any Participant; provided, that the restrictions set forth in Section 7.4 shall apply with respect to any amendment, suspension, or termination of this Plan.

4.5. **Forfeiture of Certain Parachute Payments.**

(a) Notwithstanding any provision in the Plan to the contrary, if subsection (b), below, applies, a Participant shall forfeit amounts payable to him under the Plan to the extent that a firm selected in accordance with subsection (c), below, determines is necessary to ensure that the Participant is not reasonably likely to receive a “parachute payment” under section 280G(b)(2) of the Code.

(b) This subsection (b) shall apply if:

(1) Any payment to be made under the Plan is reasonably likely to result in the Participant receiving a “parachute payment” (as defined in section 280G(b)(2) of the Code), and

(2) The Participant’s forfeiture of payments due under the Plan would result in the aggregate after-tax amount the Participant would receive being greater than the aggregate after-tax amount the Participant would receive if there were no such forfeiture.

(c) The amount of any forfeiture pursuant to subsection (a), above, shall be conclusively determined by either of the following firms, as engaged by Interpublic at Interpublic’s expense:

(1) The outside auditing firm retained by Interpublic for the last fiscal year ending before a Change of Control, or

(2) A national auditing firm acceptable to the Participant.

(d) If the firm engaged pursuant to subsection (c), above, determines that a Participant could avoid adverse tax consequences relating to section 280G of the Code (determined on a net after-tax basis) by forfeiting payments under one or more Other Arrangements, and such Other Arrangements permit a forfeiture to avoid adverse tax consequences relating to section 280G of the Code, the Participant shall not forfeit his right to receive any amount due under this Plan unless and until he has forfeited his right to all payments under such Other Arrangements; provided, however, that the Participant shall not forfeit any right to severance under a Change of Control or employment agreement unless and until he has forfeited his right to severance under this Plan.

Article 5. RELEASE AND COVENANTS

5.1. **Benefits Contingent on Executing Agreement.**

A Participant shall not be entitled to any benefits under this Plan unless he executes and does not subsequently revoke or materially breach an agreement that is comparable to the model agreement set forth in Exhibit A to the Plan. Except to the extent that Interpublic and the Participant may agree to modifications, such agreement shall:

(a) Include a release that is materially the same as the release of claims in paragraph 3 of the model agreement set forth in Exhibit A to the Plan;

(b) Include intellectual property, non-disparagement, return of property, and confidentiality covenants that are materially the same as the covenants set forth in paragraphs 8, 10, and 11 of the model agreement set forth in Exhibit A to the Plan, which shall be binding on the Participant for all time;

(c) Provide that, during the period that begins on the Participant's Termination Date and ends on the later of (x) the date the last payment to the Participant under this Plan is due or (y) the first anniversary of the Participant's Termination Date, the Participant shall not:

(1) Directly or indirectly, either on the Participant's own behalf or on behalf of any other person, firm, or corporation, solicit any Client;

(2) Perform any services relating to advertising, marketing, research, public relations, or related services for any Client;

(3) Directly or indirectly employ or attempt to employ, or assist anyone else to employ, any person who was in the employ of the Participant's Employer at any time during the six-month period ending on the Participant's Termination Date; or

(4) Engage in a Prohibited Activity. "Prohibited Activity" includes: (i) any activity that would give rise to termination for Cause; (ii) a material violation of any rule, policy or procedure of Interpublic or the Participant's Employer, including but not limited to the Code of Conduct of Interpublic and the Employer; and (iii) any other conduct or act that the Administrative Committee or the Compensation and Leadership Talent Committee of the Board of Directors determines is injurious, detrimental, or prejudicial to any interest of Interpublic;

For purposes of this subsection (c), "Client" includes any person (including a company or other entity) that, as of the Participant's Termination Date or at any time during the two-year period ending on the Participant's Termination Date, is or was (I) a client of the Participant's Employer, or (II) a prospective client with whom the Participant had direct contact.

(d) Provide that if the Participant commences any form of employment or partnership (including as an advisor, consultant or otherwise) with any business that is in competition with the business of the Participant's Employer, he shall immediately forfeit his right to all then-remaining payments to which he would otherwise be entitled under the Plan.

5.2. **Time Limit for Executing Agreement.**

(a) Interpublic or a Subsidiary shall deliver, or cause to be delivered, an executable copy of the agreement required by Section 5.1 on or before the fifth business day after the Participant’s Termination Date.

(b) The Participant shall submit to Interpublic an executed copy of the agreement by the following deadline:

(1) Unless the Participant is Dismissed in connection with an exit incentive or other employment termination program that affects more than one employee, the deadline shall be 21 days after the agreement is delivered to the Participant.

(2) If the Participant is Dismissed in connection with an exit incentive or other employment termination program that affects more than one employee, the deadline shall be 45 days after the agreement is delivered to the Participant.

(c) Failure to deliver an executed copy of the Agreement by the deadline described above shall result in forfeiture of the Participant’s benefit under the Plan.

Article 6. NATURE OF PARTICIPANT’S INTEREST IN AND RIGHTS UNDER THE PLAN

6.1. **No Right to Assets.**

Participation in the Plan does not create any right or lien in favor of any Participant in or against any asset of Interpublic or any Subsidiary. Nothing contained in the Plan, and no action taken under its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between (a) Interpublic or any Subsidiary and (b) a Participant or any other person. The provision for benefits pursuant to this Plan shall at all times remain unfunded as to each Participant, and the rights of each Participant and any beneficiary under the Plan shall be limited to those of a general and unsecured creditor of Interpublic and its Subsidiaries.

6.2. **No Right to Transfer Interest.**

Except to the extent necessary to fulfill a domestic relations order (as defined in section 414(p)(1)(B) of the Code), rights to benefits payable under the Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, hypothecation, encumbrance, charge, execution, attachment, levy, or similar process.

6.3. **No Employment Rights.**

No provisions of the Plan and no action taken by (a) Interpublic, any Subsidiary, the Board of Directors (including any committee thereof), the Administrative Committee, or (b) any agent or designee of Interpublic, a Subsidiary, the Board of Directors, or the Administrative Committee shall give any person any right to be retained in the employ of Interpublic or any Subsidiary. Interpublic and its Subsidiaries specifically reserve the right and power to dismiss or discharge any Participant at any time and for any reason, to the full extent permitted by applicable law.

6.4. **Withholding and Tax Liabilities.**

All payments and other compensation under the Plan shall be subject to withholding of income and employment taxes and other amounts (including any offset to which Interpublic or a Subsidiary has a right) that Interpublic or its designee reasonably determines to be required to be withheld, whether with respect to payments or other compensation pursuant to the Plan or other payments or compensation from Interpublic or a Subsidiary. In addition, each Participant shall be solely responsible for paying all required taxes (including any excise taxes) on all payments and other compensation (including imputed compensation) and benefits provided under the Plan, regardless of whether taxes are withheld or the amount withheld. No provision of the Plan shall be construed (a) to limit the Participant’s responsibility under this Section 6.4 or (b) to transfer to or impose on Interpublic or any Subsidiary any liability relating to taxes (including excise taxes) on compensation (including imputed compensation) or other income under this Plan.

Article 7. ADMINISTRATION, INTERPRETATION, AND MODIFICATION OF PLAN

7.1. **Plan Administrator.**

The Plan shall be administered by the Administrative Committee.

7.2. **Powers of the Administrator and Review of Determinations.**

(a)Prior to a Change of Control, the Administrative Committee shall have complete and exclusive discretionary authority and responsibility to:

(1) Administer, construe, and interpret the Plan;

(2) Establish such rules and regulations as it deems necessary or desirable for the proper and effective administration of the Plan;

(3) Resolve any ambiguity, inconsistency, or omission by general rule or particular decision;

(4) Make factual determinations;

(5) Settle and determine any contributions and disputes as to rights or benefits under the Plan; and

(6) Take such actions in connection with and for the purposes of the Plan as it believes advisable to carry out the purposes of the Plan and to maintain its operation.

(b) The Administrative Committee is authorized to delegate any of its duties and responsibilities under the Plan as the Administrative Committee deems appropriate. In addition, the Administrative Committee is authorized to employ one or more persons to render advice with regard to any of its administrative responsibilities.

(c) Review by a court of any determination by the Administrative Committee shall be subject to the following standard of review:

(1) Prior to a Change of Control, the standard of review shall be the “arbitrary and capricious” standard.

(2) Following a Change of Control, the standard of review shall be *de novo*.

7.3. **Section 409A of the Code**

(a) The Plan shall be operated, administered, and interpreted in accordance with the intent that all payments hereunder shall be exempt from, or in compliance with, the requirements of section 409A of the Code.

(b) If Interpublic or the Administrative Committee determines that any provision of the Plan is or might be inconsistent with the restrictions imposed by section 409A of the Code, Interpublic or the Administrative Committee may amend the Plan to the extent that Interpublic or the Administrative Committee determines, based on the advice of outside counsel, is necessary to bring it into compliance with section 409A of the Code.

(c) No provision in the Plan shall be interpreted or construed to transfer any liability for any tax (including a tax or penalty due as a result of a failure to comply with section 409A of the Code) from a Participant or other individual to Interpublic, any Subsidiary, or any other entity or individual affiliated with Interpublic and its Subsidiaries.

(d) If the period during which a Participant has discretion to execute or revoke the agreement required by Section 5.1 straddles two calendar years, no payment that is subject to the requirements of Section 409A shall be made before January 1st of the second of such calendar years.

7.4. **Amendment, Suspension, and Termination.**

(a) Subject to the restrictions set forth in this Section 7.4, the Board of Directors or any person duly authorized by the Board of Directors (including the Board's Compensation and Leadership Talent Committee) may, pursuant to a written instrument, amend, suspend, or terminate the Plan at any time. In addition, the Administrative Committee may amend the Plan to the extent that it deems necessary or desirable:

(1) To improve the administration of the Plan, so long as such amendment does not materially affect the substance of the Plan or the level of benefits the Plan provides, or

(2) To comply with any applicable federal, state, or local law (including tax laws that could result in adverse tax consequences to any Participant or Interpublic or any Subsidiary).

(b) No amendment, suspension, or termination of the Plan that might reduce the level of benefits available under the Plan shall be given effect with respect to any Participant who:

(1) Was a Participant on the day before the later of (A) the effective date of such amendment, suspension, or termination, or (B) the date such amendment, suspension, or termination is adopted (such later date being the "Amendment Date"), and

(2) On or before the second anniversary of the Amendment Date is either (A) Dismissed or (B) notified that he will be Dismissed,

unless such Participant expressly consents in writing to such amendment, suspension, or termination.

Article 8. CLAIMS AND APPEALS

8.1. **Application of Claims and Appeals Procedures.**

(a) The provisions of this Article 8 shall apply to any claim for a benefit under the Plan, regardless of the basis asserted for the claim and regardless of when the act or omission upon which the claim is based occurred.

(b) No claim for non-payment or underpayment of benefits allegedly owed under the Plan may be filed in court until the claimant has exhausted the claims review procedures established in accordance with this Article 8.

8.2. **Initial Claims.**

(a) Any claim for benefits shall be in writing (which may be electronic if permitted by the Administrative Committee) and shall be delivered to a claims administrator designated in writing by the Administrative Committee.

(b) Each claim for benefits shall be decided by the claims administrator or the Administrative Committee (as determined by the Administrative Committee) within a reasonable period of time, but not later than 90 days after such claim is received by the claims administrator (without regard to whether the claim submission includes sufficient information to make a determination), unless the claims administrator or the Administrative Committee determines that special circumstances require an extension of time for processing the claim. If the claims administrator or the Administrative Committee determines that an extension of time for processing is required, the claims administrator or the Administrative Committee shall notify the claimant in writing before the end of the initial 90-day period of the circumstances requiring an extension of time and the date by which a decision is expected.

(c) If any claim is denied in whole or in part, the claims administrator or the Administrative Committee shall provide to the claimant a written decision, issued by the end of the period prescribed by subsection (b), above, that includes the following information:

(1) The specific reason or reasons for denial of the claim;

(2) References to the specific Plan provisions upon which such denial is based;

(3) A description of any additional material or information necessary to perfect the claim, and an explanation of why such material or information is necessary;

(4) An explanation of the appeal procedures Plan’s and the applicable time limits; and

(5) A statement of the claimant’s right to bring a civil action under section 502(a) of ERISA, if his claim is denied upon review.

8.3. **Appeals.**

(a) If a claim for benefits is denied in whole or in part, the claimant may appeal the denial to the Administrative Committee. Such appeal shall be in writing (which may be electronic, if permitted by the Administrative Committee), may include any written comments, documents, records, or other information relating to the claim for benefits, and shall be delivered to the Administrative Committee within 60 days after the claimant receives written notice that his claim has been denied.

(b) The Administrative Committee shall decide each appeal within a reasonable period of time, but not later than 60 days after such claim is received by the Administrative Committee, unless the Administrative Committee determines that special circumstances require an extension of time for processing the appeal.

(1) If the Administrative Committee determines that an extension of time for processing is required, the Administrative Committee shall notify the claimant in writing before the end of the initial 60-day period of the circumstances requiring an extension of time and the date by which the claims administrator expects to render a decision.

(2) If an extension of time pursuant to paragraph (1), above, is due to a claimant's failure to submit information necessary to decide the appeal, the period for deciding the appeal shall be tolled from the date on which the notification of extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(c) In connection with any appeal, a claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his claim for benefits. A document, record, or other information shall be considered relevant to a claim for benefits if such document, record, or other information:

(1) Was relied upon in making the benefit determination;

(2) Was submitted, considered, or generated in the course of making the benefit determination, without regard to whether such document, record, or other information was relied upon in making the benefit determination; or

(3) Demonstrates compliance with processes and safeguards designed to ensure and to verify that the benefit determination was made in accordance with the terms of the Plan and that such terms of the Plan have been applied consistently with respect to similarly situated claimants.

(d) The Administrative Committee's review on appeal shall take into account all comments, documents, records and other information submitted by the claimant, without regard to whether such information was considered in the initial benefit determination.

(e) If any appeal is denied in whole or in part, the Administrative Committee shall provide to the claimant a written decision, issued by the end of the period prescribed by subsection (b), above, that includes the following information:

(1) The specific reason or reasons for the decision;

(2) References to the specific Plan provisions upon which the decision is based;

(3) An explanation of the claimant's right to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to his claim for benefits (as determined pursuant to subsection (c), above); and

(4) A statement of the claimant's right to bring a civil action under section 502(a) of ERISA.

8.4. **Other Rules and Rights Regarding Claims and Appeals.**

(a) A claimant may authorize a representative to pursue any claim or appeal on his behalf. The Administrative Committee may establish reasonable procedures for verifying that any representative has in fact been authorized to act on his behalf.

(b) Notwithstanding the deadlines prescribed by this Article 8, the Administrative Committee and any claimant may agree to a longer period for deciding a claim or appeal or for filing an appeal, provided that the Administrative Committee shall not extend any deadline for filing an appeal unless imposition of the deadline prescribed by Section 8.3(a) would be unreasonable under the applicable circumstances.

8.5. **Interpretation.**

The provisions of this Article 8 are intended to comply with section 503 of ERISA and shall be administered and interpreted in a manner consistent with such intent.

Article 9. MISCELLANEOUS PROVISIONS

9.1. **Payments to be Made in Cash.**

Except to the extent expressly provided otherwise, all payments required by this Agreement shall be made in cash.

9.2. **Obligation to Make Payments.**

Interpublic may satisfy any provision of the Plan that obligates Interpublic to make a payment or to provide a benefit by causing another party, such as a Subsidiary, to make the payment or to provide the benefit.

9.3. **Authority to Determine Payment Date.**

To the extent that any payment under the Plan may be made within a specified number of days on or after any date or the occurrence of any event, the date of payment shall be determined by Interpublic in its sole discretion, and not by any Participant, beneficiary, or other individual.

9.4. **Successors to the Company.**

Interpublic shall require any successor (whether direct or indirect, by merger, consolidation, sale of stock or assets, or otherwise) to the business or assets of Interpublic, expressly, absolutely, and unconditionally to assume the Plan and to administer the Plan in accordance with its terms.

9.5. **Mitigation Not Required.**

The Participant shall not be required to mitigate amounts payable under the Plan by seeking other employment or otherwise. Except to the extent otherwise expressly provided by the terms of the Plan, the acceptance of any such other employment shall not diminish or impair the amounts payable to any Participant under the Plan.

9.6. **Incapacity.**

If the Administrative Committee determines that any person entitled to benefits under the Plan is unable to care for his affairs because of illness or accident, any payment due (unless a duly qualified guardian or other legal representative has been appointed) may be made for the benefit of such person to his spouse, parent, brother, sister, or other party deemed by the Administrative Committee to have incurred expenses for such person.

9.7. **Power to Delegate Authority.**

The Board of Directors may, in its sole discretion, delegate to any person or persons all or part of its authority and responsibility under the Plan, including the authority to amend the Plan.

9.8. **Overpayments.**

To the extent permitted under section 409A of the Code, if any overpayment of benefits is inadvertently made under the Plan, the amount of such overpayment may be set off against further amounts payable to or on account of the Participant or other person who received the overpayment until the overpayment has been recovered. The foregoing remedy is not intended to be exclusive.

9.9. **Headings.**

The headings used in this document are for convenience of reference only and shall not be given any weight in interpreting any provision of the Plan.

9.10. **Severability.**

If any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity of that provision shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included in the Plan.

9.11. **Governing Law.**

The Plan shall be construed, administered, and regulated in accordance with the provisions of federal law, and, to the extent not preempted thereby, in accordance with the laws of the State of New York, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

9.12. **Complete Statement of Plan.**

This Plan contains a complete statement of its terms and supersedes all prior statements of the Plan’s terms. No other evidence, whether written or oral, shall be taken into account in interpreting the provisions of the Plan. In the event of any conflict between a provision in this Plan document and any booklet, brochure, presentation, or other communication (whether written or oral), the provision of this Plan document shall control.

The Interpublic Group of Companies, Inc.
Management Human Resources Committee

By ________________________________

Its _________________________________

Date _______________________________

EXHIBIT A: MODEL RELEASE AND COVENANT AGREEMENT

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE between _______________ *[insert name of Company]* **("Employer")** and ______________ *[insert Employee's Name]* **("Employee")**. In consideration of the mutual covenants herein contained, the parties agree as follows:

1. Termination of Employment. Employee has been terminated from any and all positions that he/she holds at Employer or any subsidiary thereof effective _______________*[insert last day of employment]* **("Effective Date")**.

2. Severance Payments and Benefits. Subject to Employee's execution and non-revocation of, and compliance with this Agreement, Employer shall pay to Employee the payments and benefits to which he is entitled under the Interpublic Executive Severance Plan (which is incorporated herein by reference). The payments referenced herein are in full satisfaction of any and all claims Employee may have against Employer, and exceed in value any payments to which Employee may otherwise be entitled.

3. Release of Claims. By signing this Agreement and Release, Employee, on behalf of him/herself and his/her current, former, and future heirs, executors, administrators, attorneys, agents and assigns, hereby fully and without limitation releases, covenants not to sue, and forever discharges Employer, The Interpublic Group of Companies, Inc. ("Interpublic"), and their respective parents, subsidiaries, and affiliates, officers, directors, employees, shareholders, members, agents, attorneys, trustees, fiduciaries, representatives, benefit plans and plan administrators, successors and/or assigns, and all persons or entities acting by, through, under, or in concert with any or all of them (collectively, the "Releasees") from all rights, claims, actions and causes of action, whether in law or equity, suits, damages, losses, attorneys' fees, costs, and expenses, of whatever nature whatsoever that Employee now has or has ever had, whether known or unknown or based on facts now known or unknown, fixed or contingent, suspected or unsuspected, against the Releasees, occurring from the beginning of time up to and including the date that Employee executes this Agreement and Release that arise out of, or are in any way related to Employee's employment by Employer or the termination of Employee's employment with Employer.

Without limiting the foregoing, Employee understands and agrees that the foregoing release provisions include, without limitation:

a. any claims for wrongful termination, defamation, invasion of privacy, intentional infliction of emotional distress, or any other common law claims;

b. any claims for the breach of any written, implied or oral contract between Employee and Employer, including but not limited to any contract of employment;

c. any claims of discrimination, harassment or retaliation based on such things as age, national origin, ancestry, race, religion, sex, sexual orientation, or physical or mental disability or medical condition;

d. any claims for payments of any nature, including but not limited to wages, overtime pay, vacation pay, severance pay, commissions, bonuses and benefits or the monetary equivalent of benefits, but not including any claims for unemployment or workers' compensation benefits, or for the consideration being provided to Employee pursuant to Paragraph 2 of this Agreement; and

e. all claims that Employee has or that may arise under the common law and all federal, state and local statutes, ordinances, rules, regulations and orders, including but not limited to any claim or cause of action based on the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Civil Rights Acts of 1866, 1871 and 1991, the Rehabilitation Act of 1973, the National Labor Relations Act, the Employee Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, Executive Order 11246, and any state laws governing employee rights, *[if Employer is located in California: including, but not limited to, the California Labor Code, Section 1542 of the Civil Code of California]* as each of them has been or may be amended.

[if Employer is located in California: Section 1542 of the Civil Code of California provides:

> *A general release does not extend to claims, which the creditor does not know or suspect to exist in his/her favor at the time of executing the release, which if known by him/her must have materially affected his settlement with the debtor.*

Employee acknowledges that the above release covers all claims described in this Paragraph 3, whether such claims are known or unknown and suspected or unsuspected. Employee further acknowledges that he/she understands the significance and consequences of this release and of this specific waiver of Section 1542 of the Civil Code of California.]

This Agreement and Release shall be binding upon and inure to the benefit of Employee and the Releasees and any other individual or entity who may claim any interest in the matter through Employee. Employee also acknowledges that he/she has not assigned any of his/her rights to make the aforementioned claims or demands. Employee also acknowledges and represents that he/she has not filed nor will he/she file any lawsuits based on claims or demands that he/she has released herein.

4. Attorney Review. Employee is hereby advised that he/she should consult with an attorney prior to executing this Agreement.

5. *[This paragraph need not be included or may provide for a shorter time period if Employee is under age 40 when his employment terminates.]* Review Period. Employee is also advised that he/she has twenty-one (21) *[if Employee's termination is part of a termination affecting more than one person: "forty-five (45)"]* days from the date this Agreement is delivered to him/her within which to consider whether he/she will sign it, and to the extent he/she executes it before expiration of the review period, he/she has done so knowingly and voluntarily.

6. *[Except in Minnesota, this paragraph need not be included if Employee is under age 40 when his employment terminates.]* Revocation Period. If Employee signs this Agreement, he/she

acknowledges that he/she understands that he/she may revoke this Agreement within seven (7) *[if Employer is in Minnesota: "fifteen (15)"]* days after he/she has signed it by notifying Employer in writing that he/she has revoked this Agreement. Such notice shall be addressed to ___________________ *[insert name and address of person to whom revocation should be sent]*. This Agreement shall not be effective or enforceable in accordance with its terms until the 7-day *[15-day in Minnesota]* revocation period has expired.

7. Employment with Another IPG Agency. In the event Employee accepts employment (including work as a temporary employee, freelancer, consultant, or independent contractor) with any company owned or controlled by Interpublic during the period in which payments are being made pursuant to this Agreement, all such payments shall cease upon commencement of such employment. Furthermore, if Employee has received a lump sum payment representing severance and commences employment with another company owned or controlled by Interpublic, Employee agrees to reimburse Employer for any portion of the severance payment that compensates Employee for the subsequent employment period. If, however, Employee's new salary is lower than the salary upon which the severance payments are based, Employee will continue to receive as severance, or will not be obligated to repay, the difference in salary for the period of overlap.

8. Intellectual Property Rights. Employee acknowledges and agrees that all concepts, writings and proposals submitted to and accepted by Employer **("Intellectual Property")** which relate to the business of Employer and which have been conceived or made by him/her during the period of his employment, either alone or with others are the sole and exclusive property of Employer or its clients. As of the date hereof, Employee hereby assigns in favor of Employer all the Intellectual Property covered by this paragraph. On or subsequent to the date hereof, Employee shall execute any and all other papers and lawful documents required or necessary to vest sole rights, title and interest in the Employer or its nominee of the Intellectual Property.

9. Non-Admission. This Agreement and Release shall not in any way be construed as an admission by Employer of any liability for any reason, including, without limitation, based on any claim that Employer has committed any wrongful or discriminatory act.

10. Non-Disparagement. Employee agrees that he/she will not say, write or cause to be said or written, any statement that may be considered defamatory, derogatory or disparaging of any of the Releasees.

11. Confidentiality/Company Property. Employee acknowledges that he/she has had access to confidential, proprietary business information of Employer as a result of employment, and Employee hereby agrees not to use such information personally or for the benefit of others. Employee also agrees not to disclose to anyone any confidential information at any time in the future so long as it remains confidential. Employee further agrees to keep the terms and the existence of this Agreement and Release confidential and not to discuss it with anyone other than his/her attorney, tax advisor, spouse, or as may be required by law. Employee represents that he/she has returned all Employer property in his/her possession. In the event that Employer determines that Employee owes any money to Employer, Employer will provide notice thereof to Employee and Employee hereby authorizes Employer to deduct such amounts from any further payments to Employee. Employee also acknowledges and reaffirms his/her continuing obligations to Employer pursuant to any confidentiality, non-compete and/or non-solicitation agreements signed by Employee.

12. Cooperation. Employee agrees to make him/herself available to cooperate fully with Employer, its parents and affiliates and their legal counsel in any pending or future legal proceedings or investigatory matters involving issues in which Employee was involved during his/her employment with Employer.

13. Non-Solicitation. For a period that begins on the Effective Date and ends on the later of (x) the date the last payment required by Paragraph 2 is due or (y) the first anniversary of the Effective Date, regardless of the reason therefor, in consideration of the payments in Paragraph 2 hereof, Employee shall not (a) directly or indirectly, either on Employee's own behalf or on behalf of any other person, firm or corporation, solicit any Client; (b) perform any services relating to advertising, marketing, research, public relations or related services for any Client; or (c) directly or indirectly, employ or attempt to employ or assist anyone else to employ any person who is at such time or who was within the six-month period immediately prior to such time in the employ of Employer. For purposes of this paragraph, "Client" includes any person (including a company or other entity) that, during the two-year period ending on the Effective Date, (i) was a client of the Employer, or (ii) was a prospective Client with whom the Participant had direct contact. Employee acknowledges that the above restrictions are reasonable and necessary to protect Employer's legitimate business interest.

14. Non-Competition. If Employee commences any form of employment or partnership (including as an advisor, consultant or otherwise) with any business that is in competition with the business of Employer, he shall immediately forfeit his right to all future severance payments and benefits otherwise required by Paragraph 2.

15. Prohibited Activity. For a period that begins on the Effective Date and ends on the later of (x) the date the last payment required by Paragraph 2 is due or (y) the first anniversary of the Effective Date, Employee shall not engage in a Prohibited Activity. A "Prohibited Activity" includes: (i) any activity that would give rise to termination for Cause (as defined in the plan document for the Interpublic Executive Severance Plan); (ii) a material violation of any rule, policy or procedure of Interpublic (or any Affiliate where the Participant is employed), including but not limited to the Code of Conduct of Interpublic (and any such Affiliate); or (iii) any other conduct or act that the Administrative Committee (as defined in the plan document for the Interpublic Executive Severance Plan) or the Compensation and Leadership Talent Committee of Interpublic's Board of Directors determines is injurious, detrimental or prejudicial to any interest of Interpublic. If the Participant breaches any provision of this paragraph, Employee shall forfeit any unpaid amounts required by Paragraph 2.

16. Entire Agreement; No Other Promises. Except as to any confidentiality, non-compete and/or non-solicitation agreements signed by Employee upon or during his/her employment with Employer, Employee hereby acknowledges and represents that this Agreement and Release contains the entire agreement between Employee and Employer, and it supersedes any and all previous agreements concerning the subject matter hereof. Employee further acknowledges and represents that neither Employer nor any of its agents, representatives or employees have made any promise, representation or warranty whatsoever, express, implied or statutory, not contained herein, concerning the subject matter hereof, to induce Employee to execute this Agreement and Release, and Employee acknowledges that he/she has not executed this Agreement and Release in reliance on any such promise, representation or warranty.

17. Equitable Relief and Other Remedies. Employee acknowledges that a remedy at law for any breach or attempted breach of this Agreement will be inadequate, and agrees that, in addition to

money damages, Employer shall be entitled to specific performance and injunctive and other equitable relief in the case of any such breach or attempted breach. It is also agreed that, in addition to any other remedies, in the event of a breach of this Agreement by Employee, Employer may withhold, discontinue, and retain all or any portion of the severance payments.

18. Severability. If any term or condition of this Agreement and Release shall be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, this Agreement and Release shall be construed without such term or condition. If at the time of enforcement of any provision of this Agreement, a court shall hold that the duration, scope or area restriction of any provision hereof is unreasonable under circumstances now or then existing, the parties hereto agree that the maximum duration, scope or area reasonable under the circumstances shall be substituted by the court for the stated duration, scope or area.

19. Choice of Law and Forum. This Agreement and Release shall be construed and enforced in accordance with, and governed by, the laws of the State of New York, without regard to its choice of law provisions. Any dispute under this Agreement and Release shall be adjudicated by a court of competent jurisdiction in the city of _______________ *[insert name of city in which Employer is located]*.

20. Amendment. This Agreement and Release may not be amended or modified in any way, except pursuant to a written instrument signed by both parties.

HAVING READ AND UNDERSTOOD THE RELEASE, CONSULTED COUNSEL OR VOLUNTARILY ELECTED NOT TO CONSULT COUNSEL, AND HAVING HAD SUFFICIENT TIME TO CONSIDER WHETHER TO ENTER INTO THIS AGREEMENT AND RELEASE, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT AND RELEASE AS OF THE DAY AND YEAR FIRST WRITTEN BELOW.

____
[Insert name of Individual]

Dated: ____________________________

____
[Insert name of Company]

By: ________________________________
[Name and Title]

Dated: ____________________________

EXHIBIT 12.1

COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES
(Amounts in Millions, Except Ratios)

	Six months ended June 30,	Years ended December 31,				
	2014	2013	2012	2011	2010	2009
Earnings [1]						
Income from continuing operations before income taxes	$ 144.6	$ 468.0	$ 674.8	$ 738.4	$ 450.6	$ 232.4
Fixed charges [1]						
Interest expense	42.8	122.7	133.5	136.8	139.7	155.6
Interest factor of net operating rents [2]	85.3	173.3	169.0	175.6	172.8	181.4
Total fixed charges	128.1	296.0	302.5	312.4	312.5	337.0
Earnings, as adjusted	$ 272.7	$ 764.0	$ 977.3	$ 1,050.8	$ 763.1	$ 569.4
Ratio of earnings to fixed charges	2.1	2.6	3.2	3.4	2.4	1.7

[1] Earnings consist of income from continuing operations before income taxes, equity in net income of unconsolidated affiliates and adjustments for net income attributable to noncontrolling interests. Fixed charges consist of interest on indebtedness, amortization of debt discount, waiver and other amendment fees, debt issuance costs (all of which are included in interest expense) and the portion of net rental expense deemed representative of the interest component (one-third).

[2] We have calculated the interest factor of net operating rent as one third of our operating rent, as this represents a reasonable approximation of the interest factor.

EXHIBIT 31.1

CERTIFICATION

I, Michael I. Roth, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Interpublic Group of Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ *Michael I. Roth*

Michael I. Roth
Chairman and Chief Executive Officer

Date: July 24, 2014

EXHIBIT 31.2

CERTIFICATION

I, Frank Mergenthaler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Interpublic Group of Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ *Frank Mergenthaler*

Frank Mergenthaler

Executive Vice President and Chief Financial Officer

Date: July 24, 2014

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of The Interpublic Group of Companies, Inc. (the “Company”), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended June 30, 2014 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Michael I. Roth*

Michael I. Roth

Chairman and Chief Executive Officer

Dated: July 24, 2014

/s/ *Frank Mergenthaler*

Frank Mergenthaler

Executive Vice President and Chief Financial Officer

Dated: July 24, 2014